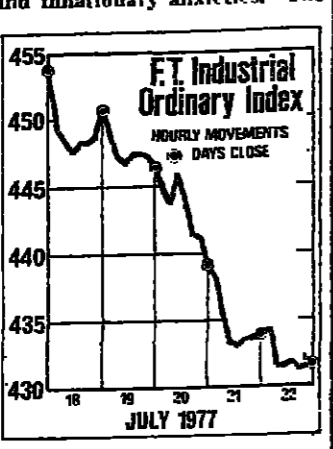


GENERAL BUSINESS

Doctors close ranks on pay

General practitioners and hospital consultants have joined consultants in a one-day boycott to demand a 15 per cent pay rise. The record medical association in Glasgow, also withdrawing from the British Medical Association council to demand further action against the health service, has announced a one-day strike. The boycott is part of a campaign to force the government to meet the demands of the medical profession. The British Medical Association has refused to accept the government's offer of a 10 per cent pay rise. The doctors' union, the British Medical Association, has announced that it will continue to support the boycott until its demands are met.



Equities reflect inflation worries

Equities failed to lose the effect of the week's economic and inflationary anxieties. The 30-share index closed at 431.5, up 2.4, a loss on the week of 22.2.

GILTS continued their resilient trend, with demand small. The Government Securities Index was unchanged at 66.88.

THE POUND closed at \$1.7197 against the dollar, a rise of two points. Trade-weighted index 60.7 (60.8). The dollar was rather weak and its trade-weighted depreciation widened to 1.93 per cent. (1.80).

GOLD rose \$1 to \$144.875.

WALL STREET shortly before the close was 922.82, up 1.04.

U.S. TREASURY BILL rates—13-week: 5.19 per cent. (5.22); 26-week: 5.71 (5.43); one-year: 5.83 (5.86).

U.S. MONEY SUPPLY: M1 \$328.8bn. (M2 \$558.8bn.); M2 unchanged at \$780.1bn.; commercial and industrial loans down \$222m. (down \$504m.); fed funds 5.35 (5.33) per cent.; 90-119 day paper, unchanged at 5.38 per cent.

SIMPLIFIED inflation accounting may be established, with the support of the CBI. Stock Exchange and leading accounting firms, by the end of the year if a new move by Sir William Slimmings, Accounting Standards Committee chairman, succeeds. Back Page

BRITISH NATIONAL OIL Corporation asked the Government for eight North Sea blocks in an exclusive allocation of licences not open to private companies. Lord Kearton, its chairman, said the Energy Department had been told informally which blocks were wanted but had not yet had the written application. Page 10

PRESIDENT CARTER denounced price rises on structural shapes and mill products proposed by U.S. Steel, a leading company, and said he was "very disturbed" to hear of them. Page 11

TUC PRINTING Industries Committee will give "full and effective" support to the National Union of Journalists in the post-entry closed-shop dispute at North of England Newspapers, Darlington, where journalists have been on strike since last month. Back page

MILK CONSUMPTION fell to its lowest level for five years in England and Wales last month as output soared to its highest in two years. Page 10

THE CEGB is to sign an agreement with Western Mines of Vancouver for joint uranium prospecting in Canada. Page 10

LAIRD GROUP bid £20.6m. for Charrington Industrial Holdings. Page 14

Ministers consider delaying Bullock White Paper

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

Senior Cabinet Ministers are likely to decide early next week to delay publication of any White Paper on the Bullock Report's industrial democracy plans until the end of the current Parliamentary session, after the summer recess which starts on Friday.

There is also likely to be only limited legislation proposed on the subject for the 1977-78 Parliamentary session. This emerges from a draft White Paper produced by a special committee of Ministers set up by the Prime Minister under the chairmanship of Mrs. Shirley Williams, in her capacity as Paymaster General. The likely delay in publication is because the draft does not go far enough on statutory rights for a union-only worker director system to be sure of support at the TUC's annual Congress in September. Some supporters of the Bullock ideas still want the proposals published in the next week or two and the matter may be raised when union leaders and Ministers meet in the TUC-Labour Party Liaison Committee on Monday. This committee will be considering a broad policy document that includes a call for legislation based on the Bullock Report in the 1977-78 session. The Cabinet Ministers will be making their decisions on when to publish the White Paper after that meeting but might prefer the matter to the final pre-summer recess meeting of the full Cabinet on Thursday. The draft prepared by Mrs. Williams' committee contains many of the Bullock Report's ideas but waters them down in various ways and does not propose any immediate legislation because Ministers have not yet reached agreement with the TUC on the role of non-unionists. The proposals indicate that legislation in the next Parliamentary session should be broadly limited to issues such as enabling companies to set up two-tier Board structures which could include worker directors. They could also provide that directors should have regard to the interests of their employees as well as their shareholders. These ideas, while involving a significant reform in terms of company law, are only fringe matters as far as the Bullock concept of industrial democracy is concerned because they include no statutory rights of worker representation. The White Paper goes on to explain a possible worker director scheme, while indicating that it might well not be introduced in the next session. This provides a statutory right for unions to have a worker director system after about three years, during which participation below Board level would be set up in a company. For the first five years the union-based worker representatives would only have one-third of a Boardroom's seats, with the other two-thirds being taken by shareholder representatives. But the plan would recognise that, after five years, or some similar period, there would be an "agreed objective" for an equal shareholder-worker representation split, although the Depart-



Mr. Cordle leaving the Commons after his statement.

Cordle resigns as MP

Mr. John Cordle resigned as Conservative MP for Bournemouth East yesterday after accepting, in an emotional statement, the verdict of an all-party Select Committee that he had been "at fault" in the conduct of his business connections with the Poulson organisation. His dramatic resignation, greeted with relief by MPs in all parties, means that no further action against him is likely to be taken by the Commons when the Select Committee report is debated on Tuesday. Both Mr. Reginald Maudling, the former Home Secretary, and Mr. Albert Roberts, Labour MP for Leeds Normanston, who were also censured by the committee for their connections with the failed architect John Poulson, still intend to defend themselves vigorously against criticism of their conduct. Mr. Cordle, who was a Tory MP for 18 years, decided to resign when it became clear that a majority of Conservatives would not support him if there were a vote for his expulsion. Tears streamed down Mr. Cordle's face as he announced his decision to a thirty-attended chamber. He then went immediately to the office of Mr. Humphrey Atkins, Tory Chief Whip, to sign an application for the Chiltern Hundreds—the technical means of resigning his seat. Later he had a 20-minute private meeting with Mrs. Thatcher, the Conservative leader, who had been present in the Commons to hear his brief personal statement. His surprise decision to resign rather than fight obviously came as an intense relief to senior Tories. In the report, the Select Committee said Mr. Cordle was paid £5,628 over several years by Mr. Poulson for

U.S. Treasury chief backs 'free float'

BY JURK MARTIN, U.S. EDITOR WASHINGTON, July 22

THE DOLLAR continued its steady decline in foreign exchange markets today, but Mr. Michael Blumenthal, U.S. Treasury Secretary, indicated that he thinks much of the necessary depreciation of the dollar has already occurred. However, he said, he was prepared to see it fall further without making any attempt to intervene. In an interview with the Washington Post this morning, he said he would like to see the dollar "free floating"—apart from smoothing out abrupt movements—and allow the exchange rate between the dollar and the yen and the dollar and the D-mark to settle down where it does in its context.

Other senior Government officials are adamant that there is no valuation of the dollar against other strong currencies which would prompt intervention. Some foreign exchange market experts have suggested, for example, to what they see as a critical cross-rate between the dollar and the D-mark of DM2.25. But any suggestion that the U.S. stands ready to shore up the dollar at that or any other figure is being vigorously denied. As part of an exercise to illustrate its lack of concern, the Treasury has been leaking private calculations which show that overall the dollar is actually stronger than it was last autumn, in spite of the fall against the yen and the D-mark. These show that if the dollar's value is assessed against the trade-weighted currencies not only of the other 23 members of the Organisation of Economic Co-operation and Development but also against those of the 46 principal U.S. trading partners (there is overlap), the dollar has risen in value since last September. Under this measurement, as of the start of this week the dollar had depreciated by 30.9 per cent. against its value in 1972. Last September, the depreciation stood at 11.8 per cent. The U.S. has been maintaining that the surplus countries—West Germany, Japan, Holland and Switzerland in particular—should allow their currencies to rise in value. Administration officials were concerned when they discovered last week that West German Chancellor, seemed willing to continue allowing the D-mark to float up by roughly 1 per cent per month. This is in spite of criticism from German exporting industries. This concession from Herr Schmidt has to be "watched" against the Chancellor giving nothing away on extra stimulus for the German economy. In his talks with President Carter, he said, real German growth this year would be about 4.5 per cent (not the 5 per cent the U.S. had been looking for). The U.S. doubts that even 4.5 per cent will be achieved, but the Administration seems to have concluded it can do little about this. There is real concern in Washington, however, about the rate of German growth in 1978. The U.S. considers this of critical importance, not only because of the need to recycle OPEC surpluses, but also because it wants Germany to drag the rest of Europe out of its current economic (and political) uncertainties. Broadly, the Administration hopes the Administration will issue OECD forecasts issued this week, which envisage real German growth of less than four per cent, through the middle of next year. There appears, however, a more optimistic attitude inside the Administration to Britain's problems. The U.S. would probably like sterling to float up a little in value, but does not appear to be pressing this particularly hard. Although it is freely acknowledged here that the present Government is politically unfettered round wage settlements may not turn out to be as astronomically inflationary as has been feared.

Moderate

This seems based on the assessment that the fear of yet higher unemployment in Britain will persuade unions to moderate their wage demands. American officials involved in last year's IMF and sterling balance agreement have been privately expressing the view that Britain should have allowed its reserves to accumulate so rapidly in the early months of this year. They believe that what has flowed in can just as easily drain out, particularly if it appears that North Sea oil revenues are being "consumed" by the Government's financial requirements. Colin Millham writes: The dollar closed slightly weaker against most major currencies, even though trading was not as hectic as on earlier days this week. Finishing at DM2.2675 compared with DM2.2645 previously, the dollar lost further ground against the D-mark, but was slightly above the lowest level touched on Thursday.

Teng restored to former posts in unanimous vote

BY A SPECIAL CORRESPONDENT PEKING, July 22

CHINA'S FORMER deputy Prime Minister Teng Hsiao-ping, dismissed from office in April last year, was today restored to all his former posts. How now seems in line to become China's next Prime Minister, a post still held by Party chairman Hua Kuo-feng. After months of speculation about his political future, the New China News Agency announced tonight that Mr. Teng has been appointed Vice-Chairman, vice premier of the State Council and Chief of Staff of the armed forces. He held all three positions until his dismissal on April 7 last year. The third plenum of the Central Committee of the Chinese Communist Party which opened in Peking on July 16 and ended today, unanimously adopted three resolutions. It confirms the appointment of Hua Kuo-feng on October 7 last year as Party Chairman in succession to Chairman Mao Tse-tung. It reinstated Mr. Teng to his post on the Central Committee, as a member of the Politburo and the standing committee of the Politburo, and as party vice-chairman, Vice-Premier and Chief of Staff. It expelled Chiang Ching-widow of Chairman Mao from the Communist Party, together with Wang Hung-wei, former First Deputy Vice-Chairman, Chang Chun-hiao and Yao Wenyuan (the same of four) and from their posts inside and outside the party. Television newsreel of the third plenum in session placed Teng Hsiao-ping third in the leadership hierarchy. The lineup is now: Hua-Party Chairman, Defence Minister Yeh Chien-ying—first vice-chairman of the party, Teng Hsiao-ping followed by Li Hsien-nien. Mr. Li has filled many of the functions of Prime Minister since the arrest of the "gang of four" last year. The new lineup indicated strongly that Teng is destined for the post of Prime Minister as planned by Chou En-lai before he died in January last year. The third plenum also unanimously decided to convene the 11th Congress of the Chinese Communist Party this year at an "appropriate" time. The agenda of the congress will include a revision of the party's constitution and the election of a new Central Committee. The party plenum has attempted to crush speculation that there were considerable differences of opinion within the Central Committee on Teng's future which would account for a long delay in a decision being made. Eleven of the 12 members who remain after deaths and purges from the Politburo attended the meeting, together with all four alternate Politburo members. The absent 12th man Liu Po-cheng is on sick leave. The plenum's communiqué contained no hint of further changes in the present hierarchy. Sydney Morning Herald. Profile, Page 11

Midland and Lloyds profits up

BY MICHAEL BLANDEN

TWO OF the big four London banks opened the mid-year profits season yesterday with results which were better than had been expected in the stock market. Midland Bank reported profits of £102.4m, before tax for the first half of the year, as Lloyds announced a pre-tax figure of £80.1m for the period. Both results were better than the figure achieved in the second half of last year, when conditions were particularly favourable to the banks. With interest rates falling this year, and a continued low level of demand for lending, most commentators had expected some decline. The Lloyds figure represented a gain of 8.4 per cent, over the second half of 1976, and of 39 per cent, compared with the first half. Touching 30p earlier in the day, and Lloyds stood at 230p to show a rise of 2c after reaching 228p. Barclays also improved by 3p to 275p but National Westminster ended 1p down at 222p—both are due to announce their interim results next week. Company reports, Page 14 Lex, Back Page

The results reflected both a reasonably good performance in domestic banking and a growing contribution from international activities. Lloyds commented that, during the period, interest rates had fallen sharply and sterling lending showed only a modest increase with a continuing low level of demand for finance from the industrial sector. Although base lending rates came down from their peak 14 per cent to the current 8 1/2 per cent, the average level during the period was still high by historical standards. At the same time, the banks have raised the widening of the margin between lending and deposit rates and from some further effect of increased charges. There has been further significant expansion in international activities, accounting for about 40 per cent of Lloyds' profits against around 33 per cent last year and for some 25-30 per cent of Midland's income. Midland has also gained from growth in other activities, such as Cook's travel business.

SHARES RISE

Midland, which had a particularly good second half last year, showed an improvement of over some 2.5 per cent, but its results were up by nearly 54 per cent compared with the first six months of 1976. The news brought a modest improvement in bank share prices. The City's reaction, however, was tempered by the less encouraging prospects for the second half, and particularly by the possibility that the banks will be subject to renewed major wage claims. The Midland share price closed with a gain of 5p at 286p, after

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For latest Share Index phone 01-246 8026

Appeals to Gray editor

Appeals to Gray editor

Appeals to Gray editor

BNOC seeks N. Sea blocks

BRITISH NATIONAL OIL Corporation asked the Government for eight North Sea blocks in an exclusive allocation of licences not open to private companies. Lord Kearton, its chairman, said the Energy Department had been told informally which blocks were wanted but had not yet had the written application. Page 10

ames salmon

ames salmon

fly ...

fly ...

PRICE CHANGES YESTERDAY

in pence unless otherwise indicated

Coronation Syndicate	48 + 8
Geover	390 + 8
Randfontein	328 + 4

RISKS

94pc 1082	394 + 1
1082	37 + 11
1082	34 + 3
1082	32 + 2
1082	125 + 54
1082	112 + 6
1082	295 + 8
1082	41 + 5
1082	432 + 6
1082	159 + 9
1082	120 + 4
1082	354 + 4
1082	448 + 2
1082	239 + 3

FAILS

AB Electronic	490 - 5
British Sugar	440 - 15
Brokers Hill Prop.	330 - 25
Collins Group	40 - 5
Electrocomponents	184 - 6
JCEG	28 - 10
Lucas	283 - 4
Petroler	80 - 4
Polymark	37 - 39
Stadler	25 - 3
Union Discount	335 - 10
Utah Mining	395 - 15

9% CAN BE BETTER THAN 12%

M&G HIGH INCOME FUND

When considering a high income unit trust, don't just look at the advertised gross current yield. Ask yourself also how likely that yield is to increase over the years, and what prospects there may be for capital growth. Long-term investors, therefore, tend to avoid holdings such as preference shares, where the return is fixed and capital growth potential limited. The M&G High Income Fund, currently invested more than 95% in equities, provides an opportunity for you to invest in a successful Unit Trust whose aim is to provide a high and growing income about 75% higher than the return from shares in general, with prospects of capital growth. The estimated gross current yield is 9.3% at the latest buying price of 84-0p.

Unit trusts are a long-term investment and not suitable for money that you may need at short notice.

The price of units and the income from them may go down as well as up.

Prices and yields appear in the F.T. daily. There is a charge of 34p initially and 2p plus VAT annually. Distributions are made on 31 July and 31 January net of basic rate tax. The next distribution date for new investors will be 31 January 1978. You can buy or sell units on any business day. Contracts for purchases or sales will be due for settlement 2 or 3 weeks later. 1% commission is payable to accredited agents. Trustee: Clydesdale Bank Limited. The Fund is a wide-range security and is authorised by the Secretary of State for Trade.

M&G is a member of the Unit Trust Association.

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In addition to investing a capital sum as mentioned above you can start a Regular Monthly Saving Plan through a life assurance policy for as little as £10 a month, and you are normally entitled to claim tax relief at current rates of £17-50 for each £100 paid. On a £10 Plan, tax relief at present rates can bring down your net monthly cost to only £8-25, with which you buy units considerably more.

Regular investment of this type also means that you can take advantage of the inevitable fluctuations in the price of units through Pound Cost Averaging, which gives you a positive arithmetical advantage, because your regular investment buys more units when the price is low and fewer when it is high. You also get the benefit of a free trial period when you first invest. Life cover of at least 180 times your monthly payment throughout the period if your age at entry is 54 or under (women 58), and rather less up to 75.

If you cash in or stop your payments during the first four years there is a penalty, and the tax authorities require you to make a deduction, so you should not consider the Plan for less than five years. 81% to 94% (depending on your starting age) is invested except in the last two years when an additional 20 per cent is retained to meet setting-up expenses.

M&G is a member of the Life Offices Association. This offer is not available to residents of the Republic of Ireland.

FOUNDER'S OF BRITAIN'S UNIT TRUSTS

our savings and investments



Its and pital ins

HENNE GLEESOM

THE table set out is extrapolated from received a couple of from a firm of okbrokers; and what es is the advantages ed investment.

and greatest of these is that any profit on h has been held for a year and a day in ability to tax on the n. Apart from some Savings Instruments Bonds and Savings Certificates), only form of direct on which you can n an exemption. And e fortunate enough id of other invest- value of more than ear is likely to have g out a cheque to capital gains tax a any profit within hree weeks it seems a moment to con- cession.

taxpayer, a given capital gain is going more than the same interest or dividends, use capital gains tax a lower rate (20 per cent) than the standard rate (30 per cent). Unless you are a lot of money you course, likely to end over anything like t of your gain; you stance, opt to pay at your marginal d on your charge- half the first £5,000, it thereafter), if it be cheaper.

er or not you decide vantage of this, the half income rule," atively low level of capital gain that's ing factor: you're d up with more in amount of income, say you tackle it.

of course, neces- that you go flat out gains: dividend and ents are, after all, rates.

UNIVALENT GROSS REDEMPTION YIELDS ON GILT-EDGED STOCK

Price £	Returns at marginal tax rate of			
	25%	40%	83%	98%
1979 101 1/2	8.3	5	-7.3	-166.7
79 100 1/2	9.7	8.6	4.5	-46.3
79-81 89 1/2	8.6	11.5	22.9	167.7
81 97	10.7	10.7	10.7	11.4
1982 92 1/2	11.7	12.8	17	71
15-88 78	12.5	14.5	22.8	127.6
55 1/2	12.25	17	35.9	273.5
69 60	13.3	16.9	31.6	217.6
37 1/2	13.8	18.6	37.9	281.9
37 1/2	13.5	18	36.2	266.7
4-98 56 1/2	14.1	16.3	25.8	148.1
73 1/2	13.8	15	19.9	84.3

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Making money from a rural retreat

BY CHRISTINE MONK

LONG HOT days in city offices have all of us longing to get away and preferably to some quiet and informal retreat where not even the constraints of accepted hospitality apply. A holiday home is the perfect answer: but is it possible to justify the expense—particularly if the place may be in use no more than two or three weeks in the year? Holiday lettings are one way of getting some of the outgoings back; but how much? I enlisted the help of some of the agents who look after such lettings in an attempt to find out.

All of them made the point, and very strongly, that it is necessary to be in a position to pay cash for the property in the first place. Our hypothetical landlord needs to own his house outright. For the net income on the property, as I was told by one of the partners in W. H. Lane and Son (who look after holiday lettings in Cornwall and the Isles of Scilly), "probably wouldn't cover your interest charges."

"Remember," he said, "that you can't get a mortgage from a building society for buying this sort of house."

Of course, if you are set on buying a seaside cottage or a rural retreat, like the one in our picture, you can look on it as an appreciating asset. But then you need to take into account that, if it is let, the Inland Revenue will want Capital Gains Tax from you when and if you do decide to sell and realise the increase in its value.

That might still make it a good investment for the high taxpayer, who isn't too worried about high income now. But unless he bungles his timing—a low-coupon gilt bought and held for a year and a day to qualify for the opt exemption will undoubtedly be better.

What of the income and outgoings? Well, a two-bedroom flat in the Isles of Scilly, not in the best position, last year produced income of £693 before outgoings of £117. A two-bed-roomed cottage on the sea front at Mousehole in Cornwall was let to produce £542, and the outgoings were only £90. But a similar one in Penzance produced income of only £407, and expenses amounted to £263.

On this basis you might expect about £480 over a 12-week period. Your outgoings would have to include advertising at perhaps £50 (which would probably decrease after the first year with repeat business from the same families); agents' management fees of £60 (average fees seem to be about 12 per cent of gross income);

clearing after each letting, which would amount to another £40; and general maintenance of £50 or so. That makes a total of £200.

On top of this you would have to pay rates, say £75, and you would need to allow a sinking fund to cover general wear and tear and replacement of the furniture. And a television set is a "must," so there is extra cost there.

In very round figures, therefore, your net return would be £206, out of which you would need to buy a television and establish your sinking fund. Assuming that your cottage is valued at about £7,000 this represents a return of only 2.9 per cent before tax.

As for tax, while many people may have houses which they occasionally let to friends on the grounds that what the Inland Revenue doesn't know won't hurt it, consistent letting won't hurt it, consistent letting involving estate agents is not at all the same business.

You would not have to pay the investment income surcharge, unless your total investment income exceeded £1,500 (the point at which, under the latest Budget proposals there is to be a 10 per cent surcharge over your income tax rate). But you would have to weigh up whether letting the cottage could be called a trading proposition—in which case your outgoings allowances would be generous—or whether it would simply be classified as "miscellaneous receipts," when you would have to conform with more stringent income tax requirements.

If you are thinking of taking on such an investment despite the exiguous return—in terms of pounds and pence, at least—then you ought to study the Inland Revenue's booklet: "Notes on Tax of Income from Real Property" (IR 27).

The perfect person to undertake such a proposition is, of course, a farmer with a spare cottage and a wife to handle the management side and the cleaning services. And falling that, you need relatives living locally who will agree to undertake them. That would knock a good £100 off the outgoings, and have the figures looking rather better. It would, of course, be necessary to provide recompense in kind—hospitality in London, perhaps, or the occasional case of wine brought down on your own visits. But that should only add to the pleasures of the place...

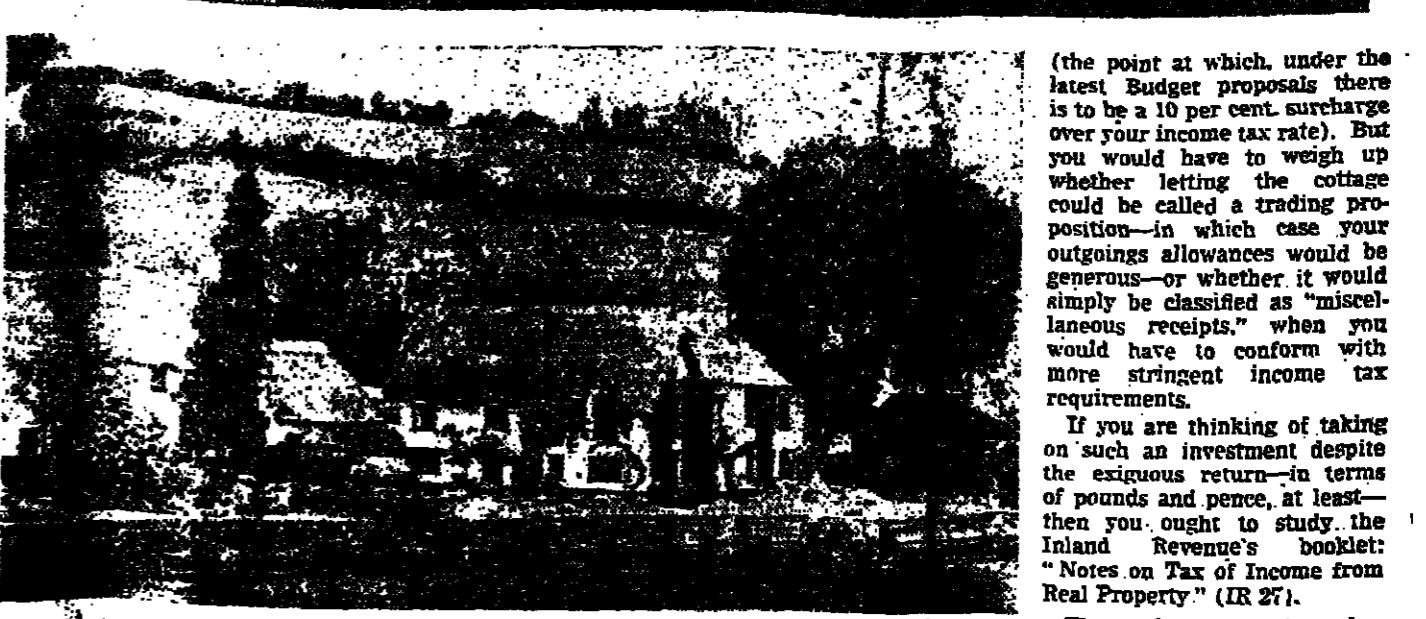
Salvage operations

IN THIS, the era of consumer mined by the actuaries, paid protection, the Policyholders' Protection Board would appear to be doing a lot more than it is legally obliged to do in looking after the interests of those individuals who stand to suffer when a life company collapses.

The Board was established to administer the provisions of the Policyholders' Protection Act 1975, to ensure that policyholders received the guaranteed 90 per cent of the value of their contracts in the event of a company being liquidated. But the Board, the majority of whose members are insurance executives, has realised that liquidation is not normally in the best interests of policyholders, and that to keep a company in being is a far better solution. The experience of Capital Annuities, the last victim of the troubles which hit the life assurance industry in 1975, illustrates its philosophy.

When application was made for liquidation of the company, the Board first set about arranging an interim payment scheme, so that contractual benefits could be paid, albeit at a reduced level. Since policyholders with Capital Annuities were either annuitants or income bond holders, relying on payments from the company for some or most of their income, the establishment of such a scheme was a first priority. Under this interim scheme, the Board pays out 70 per cent of annuity payments when they fall due, so that some income is received by these investors. Its recent report revealed that £1.1m was paid out under this scheme in the year to March 31, 1977 and a further £141,000 in the two months to end-May.

Now that this scheme is operating satisfactorily, the Board has turned its attention to the future of the company. Effectively there are two alternatives, since it is now apparent that no one is interested in taking it over. Either the company can be put into liquidation, the assets sold off and 90 per cent of the value of the investor's contract, as deter-



Protection payments

"CAN YOU look your widow in the eye?" This rather macabre expression sums up the need for providing adequate cover should you die before getting down to making your fortune. And it looks as if the message, now spashed on television, is getting through, because most life companies have over recent years experienced steadily rising sales of protection policies—both term assurance, where a lump sum benefit is paid on death, and family income benefit, where income is paid over a certain period from the death of the investor.

The market for this type of business has now become extremely competitive, and life companies have been cutting their premium rates. This week, London Life made substantial reductions in its rates, and so it goes to the top of the league for many classes of protection business.

There are three factors determining premium rates—mortality, interest and expenses; and in two of them developments have been favourable to life companies. Mortality rates are progressing favourably, in that over the lower and middle age ranges the chances of dying before

Protection payments

man aged exactly 40 dying before he reaches age 41 is now 1.44 per 1,000 compared with 1.88 per 1,000 on the previous tables, which were published nearly 20 years earlier.

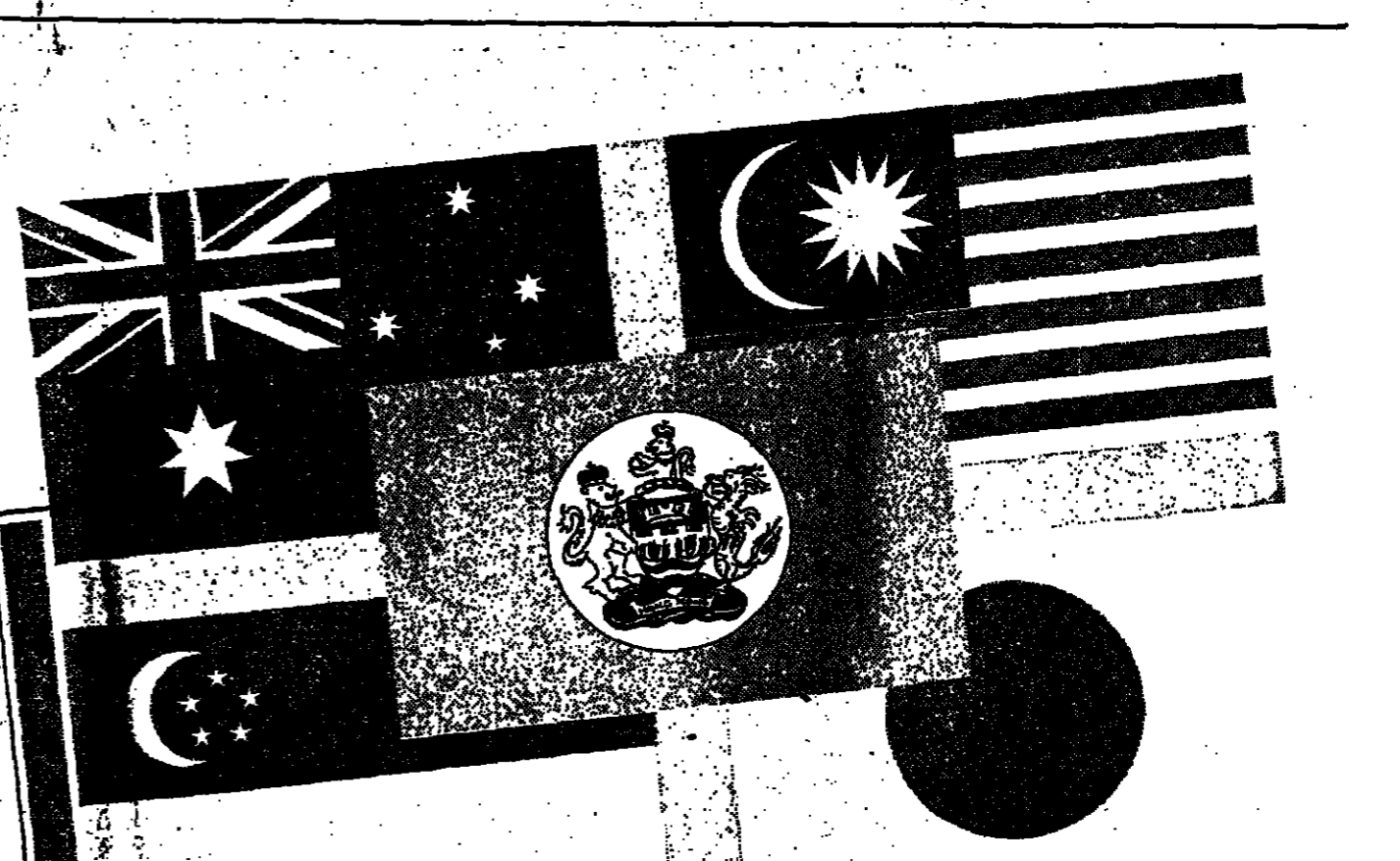
But since a large part of the premium for temporary assurance contracts covers the death risk (the rest covers expenses), this improvement in mortality means that actuaries can cut their premium rates. Competition, if nothing else, ensures that they actually pass on the benefit to prospective policyholders. And higher interest rates have more or less offset the effects of higher expenses. As the tables show, it pays to shop around. However, life assurance is sold, not bought, and commission rates are very low. It is a paradoxical fact that, if life companies paid higher commissions, which would mean higher premiums, more protection business would probably be sold.

TOP 10 FOR LOW COST PROTECTION

LEVEL TERM ASSURANCE		FAMILY INCOME BENEFIT	
Sum Assured £10,000 over 10 years Male aged 30	Annual Premium £	Income £2,500 a year, term 15 years Male aged 25	Annual Premium £
Equitable Life	11.40	London Life	16.80(a)
London Life	12.00	Equitable Life	17.00
Nat. Mutual	13.98	U.K. Provident	17.60
Provident Life	14.10	Scott. Provident	22.45(b)
Norwich Union	14.21	Royal	22.47(b)
U.K. Provident	14.90	Provident Life	18.00
Economic	15.00	Windsor Life	18.50
Yorkshire-General	15.08	Avon Insurance	18.50
N.Z. Insurance	15.40	M.F.U. Mutual	18.50
GRE	15.40	Yorkshire-General	19.14

Source: Planned Savings

(a) payable for 12 years
(b) payable for 12 years



Piccadilly Far East Fund

PICCADILLY FAR EAST FUND offers investors the opportunity to participate in the dynamic economies of the Far East—Japan, Hong Kong, Australia, Singapore and Malaysia.

The area has proved to be one of the most profitable in the world for investors over the last few years and we feel that these countries continue to offer outstanding investment opportunities. Recent political developments have caused a mixture of economic and political stability which we consider will be reflected in economic performance. We believe that no part of the world is more ready or better placed to take advantage of the general resurgence in world trade.

- We believe in particular that opportunities exist among top quality shares in the natural resources and energy sectors and to begin with a high proportion of the Fund will be invested in these sectors.
- The Fund will also achieve maximum capital growth for investors and will initially be invested approximately as follows—
- Japan 25%
 - Hong Kong 25%
 - Australia 10%
 - Singapore and Malaysia 25%
 - UK Companies and Far East interests 15%

Piccadilly Far East Fund will be actively managed and the managers will be advised by leading brokers with offices in the Far East. The portfolio will be continually monitored and kept up to date so as to take advantage of any changes in economic conditions or market sentiment.

If you are worried about inflation and you believe in a diversified balance in your portfolio, you would be well advised to think about the Piccadilly Far East Fund which combines all these professional management, now vital for the successful management of any portfolio, with the considerable advantages of unit trust investment.

The prices of units and the income from them may go down as well as up.

Your investment should be regarded as long-term.

Applications and changes will not be acknowledged but you will receive your certificates for the number of units allocated within four weeks of the close of the offer.

Income Distribution: The income, net of tax at the basic rate, is payable annually on 31st August. The first distribution in respect of this application will be made on 31st August 1978.

The Charges: A once only charge of 5% is included in the offer price to cover initial expenses including commission of 1% on recognised professional advisers. An annual charge of 2% (4-VAT) of the value of the Fund is deducted to cover management and administrative expenses.

Capital Gains Tax: If you are a basic rate taxpayer you will generally incur no tax liability when you sell your units. If you are paying a higher rate of tax at the time of selling you will be liable to Capital Gains Tax. For the top rate taxpayer there is a maximum liability of only 12.1% as against the normal rate of 30%.

Valuations: The Fund is valued daily and the current price and yield is published daily in the national press. After the close of this offer unit will be available at the daily price.

Managers: Piccadilly Unit Trust Management Limited (Members of the Unit Trust Association.)
Directors: Alan F. Judd ACA, Albert H. Fox FCA, Richard C. Ladner, Neil H. Scott, David P. H. Scroggie
Trustees: Bank of Scotland, The Mount, Edinburgh EH1 1YZ.

How to Sell Units: You may realise part or all of your investment at any time by sending the back of the certificate indicating the number of units you wish to sell and returning it to the Managers. You will normally receive your cheque within 14 days.

Share Exchange Plans: Holders of UK shares can take advantage of the Piccadilly Share Exchange facilities to purchase units in this trust without incurring the normal selling costs. If you wish to invest by way of share exchange, please attach a letter of the investments which you wish to exchange with the company.

OFFER OF UNITS AT 25p EACH UNTIL 15th AUGUST 1977
MINIMAL INVESTED GROSS ANNUAL YIELD 3.9%

To: Piccadilly Unit Trust Management Ltd,
Wentworth House, 25A London Wall, London EC2M 3UA, (Registered Office),
Tel: 01-681 0811. Registered in England No. 706258.

I/We wish to invest £ _____ at 25p per unit (minimum £250) in the Piccadilly Far East Fund and enclose a remittance for the full amount made payable to Piccadilly Unit Trust Management Ltd.

I/We declare that I am/are not a resident outside the Scheduled Territories and that I am/are not acquiring the above mentioned units as the nominee(s) of any person(s) resident outside those Territories.

If applicants cannot make the declaration, it should be left unsigned, and should be lodged through an authorised depositary, bank, stockbroker or solicitor in the United Kingdom.

Signature: _____ Date: _____
Surname (Mr, Mrs, Miss): _____
Christian name(s): _____
Address: _____
Postcode: _____

I am applying under sign. This offer is not applicable to residents of the Republic of Ireland.

Professional Advisers Please Tick Box

Sage Investment Management
Cloakroom House 267/275 Fleet Road Fleet Hants GU13 8BT
Telephone: Fleet (STD 02514) 28552, 23421 (24 hours)

NAME: _____
ADDRESS: _____

Finance and the family

Insurance

Disclosing a conviction

BY OUR LEGAL STAFF

Under the heading *Disclosing a Conviction* (May 7) you wrote that a reader who had been convicted for careless driving in 1961 would need to disclose this conviction on changing his insurance. Would he not be relieved from the necessity of doing so under the Rehabilitation of Offenders Act, 1974?

We agree with you that a conviction for a motoring offence, once it is "spent," need not be disclosed by a person making a proposal for an insurance policy. Our earlier reply was misleading in that regard. It would appear that Section 4(2)(b) of the Rehabilitation of Offenders Act 1974 exonerates a proposer from answering a question which would disclose a spent conviction, and Section 4(3) removes the duty to disclose where no question is asked. This may lead to the anomalous result that a proposer who has had an accident, but no conviction may have a duty to disclose while there would be no duty if he had a conviction which is spent.

Interest on interest

I made a claim for interest on compensation arising under Section 15 of the Public Health Act, 1936 and the Authority concerned have conceded the principle of paying it but have demurred to paying interest on interest. Can you tell me if there are any legal precedents for such payment?

There is no clear authority on the statutory provision in question: Section 3 of the Law Reform (Miscellaneous) Provisions Act 1934 (which permits the Court to award interest on

damages awarded or debts recovered in court actions) expressly prohibits interest on interest. It can be argued from this that where there is no express prohibition interest should be compounded. On the other hand it may be argued that the 1934 Act should be seen as an analogy and the same rule applied here. You would obviously wish to press the former argument.

Trees obscuring light

Is there anything we can do to compel a neighbour to lop trees which have recently grown to such an extent as to obscure the light to one of our rooms?

If the trees interfere with your light to such an extent that your premises are rendered no longer capable of comfortable use according to ordinary requirements, you may have a cause of action for infringement of an easement of light; but this can only be the case where the window in question has existed for more than 20 years.

Construction of a will

I am sole executrix of a will of one of the beneficiaries being an institution I have been unable to locate. What should I do next, please?

You may wish to consult a solicitor. If the institution described in the will cannot be located under the name used in the will questions as to the construction of the will and the destination of the funds directed to be paid to that institution will arise. These may involve points of law which may

have to be resolved by obtaining a declaration from the court.

Landlord by purchase

If a tenant occupying half a furnished house but sharing bathroom with another tenant, buys the whole house, can he then eject the other tenant?

No. The landlord by purchase can no more eject the tenant than could the previous landlord. Section 5A(1)(b) of the Rent Act 1968 (added by the Rent Act 1974) provides that the exclusion of tenancies where there is a resident landlord applies only where the tenancy lease was granted by someone who was at the time of the grant a resident landlord.

Disclaimer of responsibility

I wish to lend a friend a ladder but I gather that if he were to have an accident he could, in certain circumstances claim damages against me. How could I ensure that this did not happen? You should write a letter to your friend stating that you agree to his borrowing the ladder, free of charge, and that he takes the ladder in the condition in which he finds it and understands and accepts that the loan is made entirely without any responsibility on your part. Make a carbon copy of the letter and get your friend to sign that and return it to you.

Allowance for inflation

Under Allowance for Inflation (June 4) you refer to precedents for rent in leases, tying them to the retail price

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

index etc. Can you (a) tell me where to find such precedents? (b) Would a set rent with provision for a fixed amount, say 10 per cent, inflation be in order, even if the actual inflation proved to be more or less?

It would be possible to achieve what you postulate at (b), but it is unlikely to be acceptable. As to (a), see the Encyclopaedia of Forms and Precedents, 4th Ed., Vol. 11, pages 302/303. Clauses of this kind are now far less popular, having been replaced by provisions requiring rent reviews under which the rent is to be adjusted to the then current market rent at 3, 5 or 7 year intervals: see page 300 of the volume already cited.

Redeeming a chief rent

I used to pay my chief rent to the occupier of the house next to mine, which he sent to a London firm, but when the occupant changed, the new one refused to take it, and the London firm failed to answer my letters, including an offer to buy it. I now owe four years' chief rent. What do you think should be my next move? We suggest that you wait a short while until the Rentcharges Bill now before Parliament is enacted. You should then be able to require the chief rent (rentcharge) to be redeemed in accordance with the New Act. Otherwise you can apply to the Department of the Environment to certify the amount for redemption under Section 191 of the Law of Property Act 1925.

Fresh valuation requirement

I am executor of my father who died in 1967. By his will, he directed that all his furniture and effects be listed and valued and that his widow should have the use of any she wanted for life, and the rest should be offered to the legatees or sold. This was done. When I came to dispose of the effects held by the widow, do I use the original valued inventory or do I need a fresh valuation? The latter will obviously cost money and be difficult to arrange from a distance. Without knowing the precise terms of the will, we can only offer tentative advice. It would seem, however, that the furniture should be re-valued, as the legatees would in effect be exercising a right of privilege of preemption and if a sale is effected now it is the present day value which will obtain.

The owl in the chimney

BY JOHN PHILIP

READING the correspondence columns of *The Times* some days earlier this month I felt I had drifted into the half-real world of James Thurber or Paul Jennings, where animals are near human and the distorting mirror of the funfair the only available means of reflection. If all began with a letter from a Mr. Peter Owen on July 6 relating that two owls had recently descended his sitting-room chimney. One was dead but the other, very much alive, had flown round the room freely distributing soot and bird droppings and knocking down, cracking and breaking ornaments. On seeing the extent of the damage Mr. Owen had a look at his Lloyd's household insurance and claimed on the ground that he had cover against "impact by vehicle or animal." To his surprise back came the answer that an owl is not an animal and for this reason underwriters would be entitled to make no payment. Mr. Owen stated that he was given an *ex gratia* payment of less than half his claim.

Subsequent correspondence has centred on the question—what is an animal? For my money Mr. Peter MacLeod sums up the position admirably in these words "If it's alive and it's not a plant, it's an animal." I am fortified in this view by reference to Butterworth's "Words and Phrases Legally Defined" where it is said "the term 'animal' may be said to include all beasts, birds, reptiles, fishes and insects." And what is more, logically and inevitably, the word "animal" must include human beings. So that if little Willy charges across the room, collides with dad's china cabinet and wreaks havoc both with the glass doors and the contents of the cabinet the damage should be categorized by dad's insurers as "impact by animal."

This I have no doubt is not what the policy draughtsmen intended when they first introduced the phrase—"impact by vehicles or animals", not just into household contracts but into all manner of material damage policies. The phrase is generally used, without definition or qualification, in commercial special peril policies, shop and office packages and so on. Leaving aside the animal argument for the moment and considering only vehicle impact, I am quite sure that the original intention of all insurers was to cover only impact that began outside the building—to cover the damage done by the vehicle that ran off the highway. But because such a vehicle might penetrate some way into a building, be it home, shop or whatever, and damage not only the fabric of the building but some of its contents as well, in practice cover against impact for contents and stock has been provided by insurers implicitly against impact from without, but actually also against impact from within because no verbal restriction has been made. Some years back I recall it was market practice to provide cover against impact by horses and cattle—a phrase specific and narrow enough to exclude owls, and moreover carrying with it the implication that the impact must begin from without, from a horse or a cow running amok while being driven along the street. It is partly the change from horses and cattle to animals that has posed the problem faced by Mr. Owen and his insurers. Moreover, leaving the owl argument aside quite clearly there are a number of animals that are kept within homes as domestic pets.

realise how difficult it for the most competent draughtsman to phrase English intends to cover and wishes to exclude.

Once the words are black and white in a dispute arises policyholder and insurer number of basic legal come into operation. The policyholder must the benefit and the construed against another rule is that words are clear (and the judge to say who are clear or not) the possible for insurers what they intended set them down. In fact, the only way can maintain success letter kind of argu they can show that used do not repud what the policyholder and so claim rectific contract from ince this kind of argu rarely if ever be tak and phrases in wide: mon use: it is of a contracts and claus drafted for spec. gencies. There may not be owls that come do news nor very mar that squat in our may be that Mr. O posed a small pr where insurers ne re-examine their cou phraseology, or to disputes, the rela "fringe" claims th

Taking up a salaried post

I am in general medical practice, but am considering taking a salaried post as from January 1 next. Presumably I shall then be taxed under PAYE. Could you indicate the likely position for the previous nine months of self-employment? Provided that you can satisfy your tax inspector that you will be giving up medical practice completely at the end of 1977 (that is, that you will not undertake any medical work on your own account in the foreseeable future, after December), your Schedule D assessment for 1977-78 will be based on your profit for the period from April 6 to December 31, 1977. In

the first instance, no doubt the inspector will base the 1977-78 Schedule D assessment on your 1976-77 profit, so you will have to lodge notice of appeal (within 30 days) and apply for postponement of the tax attributable to the excess (if any) of your 1976-77 profit over your estimated profit for April-December of the current year. As a *quid pro quo*, the inspector is given the right to alter your Schedule D assessment for 1975-76 and 1976-77 to the current-year basis, if that will produce a bigger tax bill than the existing assessments (on the preceding-year basis); he cannot alter either year alone, it is a choice of both or neither.

Your liability to pay class 2 national insurance contributions will (almost certainly) cease at the end of December. It is possible that the total of class 1, 2 and 4 contributions paid for 1977-78 will exceed the statutory limit, and so you may be eligible for a refund some time next year. Explanatory leaflets and general guidance are available from most social security offices. The tax rules are complex and arbitrary and so, even if you have managed your own tax affairs up to the present, you will probably find it worthwhile to engage professional assistance for 1977-78 (and the consequent revision of earlier years' assessments).

Taxation Keep those airline tickets

THE TAX relief for exporters spending 30 days or more at the sharp end was originally announced by the Chief Secretary to the Treasury in December 1976. These proposals were the subject of extensive Press comment at that time, and even greater coverage was given in April of this year when the detailed provisions were exposed to view in the Finance Bill. One could have hoped that it would not be necessary to take any further bites at this cherry, but that is just what the Parliamentary Draftsman has now been instructed to do.



Evidence of flying may be the only way of proving 30-day tax benefits by exporters.

trip therefore qualifying the Revenue an employee left on so that he could perform his duty Monday. That is the purpose of "In" is there different type of an airline pilot, or whose purpose is not performing a duty, but who benefit from the relief. The third flying day intervening week which is one of a consecutive days U.K., where the se a whole are devoted to employ With 30 or more qualifying days in the employee is relief. In essence been altered. it from tax of 25 per cents for the new q Having defined this time-proportion as a denominator of Revenue admit the should be given a to show that a gr should be exempt regard to the natur devoted to the dut outside and in the dom respectively other relevant circ Tax legislation plete without its avoidance provisi case to deal weighting of earn overseas duties. with two or more with companies u control, must aggr ing but can then scribed proportion as being the exar for the employee worked abroad. It this that if overs involved in more the related empli qualifying day m (or divided into t so as to avoid a d of days into the p more than one en; DAVID

The Bill will receive Royal Assent, becoming thereby an Act rather than a Bill, at the end of July. Before this, the Commons has just completed its third and final reading, more commonly referred to as the Report stage. The Chancellor took the opportunity to alter the personal allowances and to reduce the basic rate of income tax on Report, and it is also at this point that other Treasury Ministers can make good their undertakings to review drafting matters and can also think any other second thoughts. Report Stage amendments put down in the Chancellor's name have substantially altered the rules for the tax relief for those working abroad for 30 days or more. In the bill as it was originally drafted, there were two separate types of day. The "qualifying day" was one on which the employee was absent from the U.K., and which he devoted to the duties of his employment. A business trip leaving Heathrow on Sunday evening and returning on Fri-

day evening would therefore only have clocked up four qualifying days: Sunday did not count, unless the employee was working all that day, and Friday did not count because he was not abroad "at the end of it." However, if the employee amassed another 26 qualifying days, he would be entitled to relief. At this point the second definition of "day" became relevant, because the relief was expressed as exemption of 25 per cent of earnings for a proportion of the year, and in calculating that proportion the Sunday to Friday trip would have counted for five days not four. The rewritten formula is based on the definition of only one relevant type of day. A new qualifying day counts towards the 30 days needed, and also counts directly into the numerator of the fraction from which the exempt proportion of earnings is derived. An employee must be "absent from the U.K. at the end of it"

On any reasonable interpretation, these words must surely mean being off U.K. soil immediately before midnight and also being outside territorial waters and airspace over either. Since British passports are seldom stamped into or out of immigration, the best form of documentary evidence looks like being stubs of airline tickets. The new qualifying day must also meet one or more of three further requirements. The most obvious is that of being substantially devoted to duty outside the U.K. Devoted, as a word, might be thought to indicate the necessity of demonstrating fervour as well as hours. Probably it does no more than recognise the Government's view that exporting is the new religion uniquely able to save us. The second type of new qualifying day is one on which the employee is travelling in or for the purpose of his duties outside the U.K. The Sunday of the Sunday to Friday business

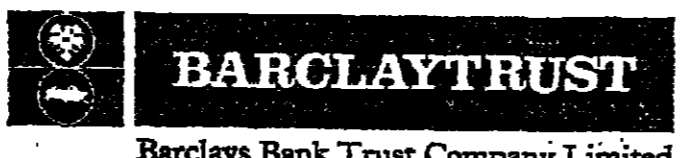


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Education Learning by numbers

WHEN I WENT to school the most we had by way of education in the mysteries of money was the occasional lesson on compound interest, as illustrated for reasons which I am now at a loss to understand by reference to the earnings on government stock. Too great an interest was considered less than decent. To go by British conservatism in matters financial, not to mention the immense ignorance of the economic realities of life which most school leavers betray, things aren't so very much better nowadays. Hence the enthusiasm with which the National Union of Teachers has welcomed Treasury proposals to develop the educational function of the National Savings Movement into a full-scale money management programme. Unfortunately the Treasury proposals are not backed up by sufficient Treasury cash to get the scheme off the ground; and while the financial institutions who have been approached to find the rest are all in favour of spreading the word, in principle, in practice they are showing a certain reluctance to pay for it. Most of them argue that they provide

educational aids already; most of them are dubious about the role of the National Savings Movement in developing the programme; and all of them are reluctant to part with the cash in return for what must necessarily be somewhat intangible benefits. So the meeting on Monday at which Mr. Denzil Davies, the Minister of State responsible, plans to ask these institutions for agreement in principle, could well end up in polite impasse and leave the financial education of the coming generation exactly where it is right now. Which is where?

Well, control of the curriculum in schools rests with the local authority, and in effect the head teacher has a large measure of autonomy. Given a certain amount of enthusiasm that can work very well. I know of one large comprehensive in Yorkshire where the course (optional) in Commerce covers everything from book-keeping to mortgages, from stocks and shares to hire purchase finance. But the requisite skill and knowledge, are all too often lacking: head teachers tackle the teaching of mammon rather as they tackle the teaching of achievements of religion; and the acquisition of financial skills is relegated to a few lessons in getting the right change in a course in Remedial Maths. And it has to be said that the efforts of private agencies to remedy the situation are frequently exiguous: reasonably enough, they take the view that they have functions other than educating the masses which are rather more deserving of management time. There are, of course, honourable exceptions, of which the National Savings Movement is the most prominent. Its educational activities are implemented through a series of Area Boards, and take in not just the provision of teachers' aids but also the operation of over 11,000 school banks. The National Savings Movement stresses that its school banks are but a part of the whole; but it has to be said that the emphasis in its educational drive is still predominantly on the virtues of saving. The like could be said of the Yorkshire bank, which, with 1,000 branches in schools throughout the north of England, is the only one amongst the clearer to come anywhere near emulating the

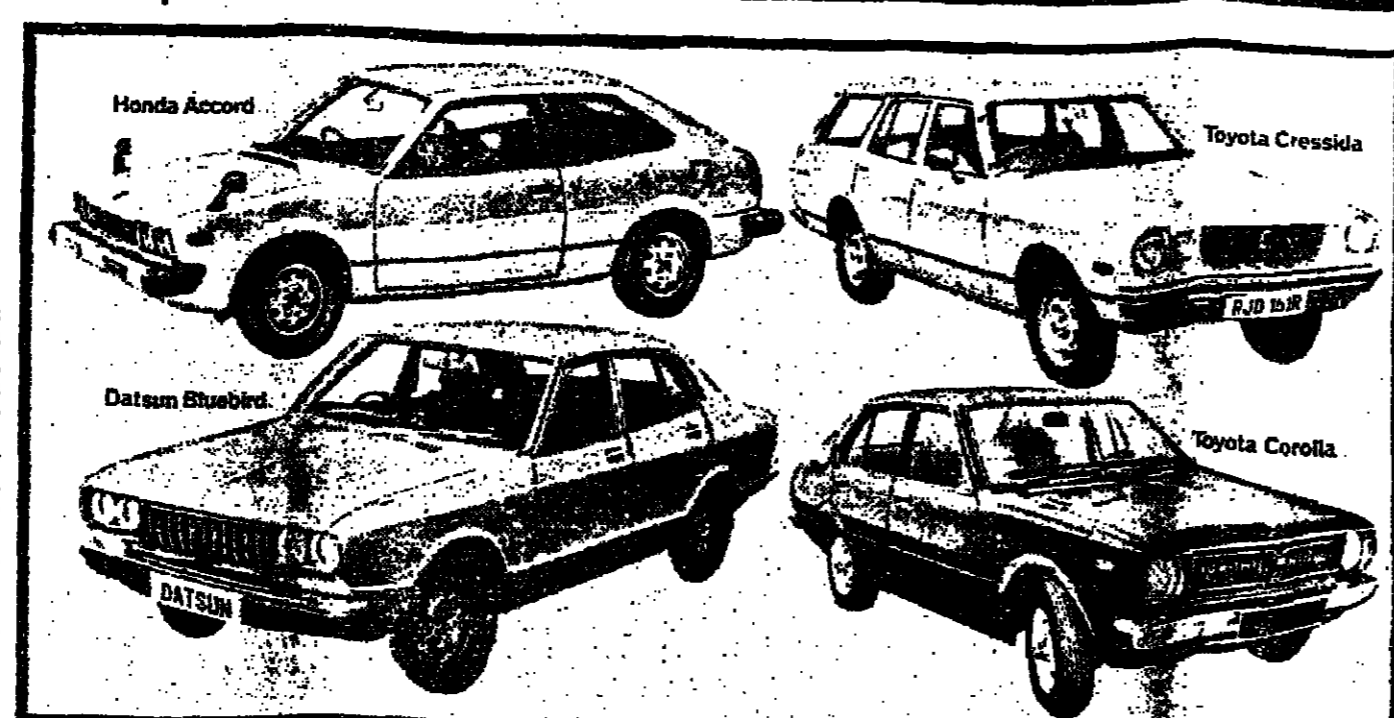
ADRIENNE

Active

es

ART MARSHALL

ER it is that makes 100 British motorists these cars each month, is for certain. It is se of their sophisti- hanical design. Two exceptions — of Ford's later — the pro- re Japanese motor sold in Britain are enterprising techni- he Ford Cortina and



the latest Honda, the Accord, is said to "Meet Europe's best on their terms." I have quoted Car because, despite occasional lapses into adolescence and a hero worshiping attitude toward Italian exotica that are as relevant to the everyday motoring scene as the cost of Beluga caviar is to the grocery price index, it is a magazine of some influence. It says what it thinks. It is the Private Eye of the automotive world. To the fury of the industry, it goes into print with a lot of accurate (mostly) inside stories about new cars, complete with pictures snatched by camera-men who lurk in ditches with telephoto lenses as long as your arm. But how relevant to the majority of car buyers is the

Thus Viewpoint dies. And that only a few months after the Annan Committee on the Future of Broadcasting pronounced that it could well be "that the Swindon experiment will prove to be the one with the greatest potential for the future." A VICTORY to-morrow by Dutch cyclist Henk Kuiper in the Tour de France would be the high point in a promotion campaign by the British cycle industry, which has already proved itself a most successful in headline grabbing. Kuiper is a member of the TT Raleigh team and his success will be used to market a new line of bicycles. The potential victory will be hammered home in the U.K. as well. Raleigh plans to devote a substantial proportion of its annual £2m. worldwide advertising budget to the event and Tube Investments, its parent company, is likely to devote another £100,000 on using Raleigh to promote its image in the U.K. But television and media coverage of bicycling in the

Money maker THE FIRST time I saw Paul Kijzer was at the Cannes Film Festival where, tieless and shirtless, he was operating from a high rise apartment leap from one telephone to another and talking like an articulate cash register. We next met in the Rank-owned Athenium hotel in London where Kijzer, this time jacketed and with a suitably restrained tie, was moving among the film men who tend to assemble in that hostelry's bar and carrying on much the same sort of multi-currency conversation as he had done telephonically in the south of France. Over the past few years Kijzer, Dutch-born, Madrid-based, film industry entrepreneur, has built up a sizeable reputation as a man who translates cinematic dreams into practicality. A one-time film critic Kijzer's job now is to pre-sell production ideas around the world so that the producer can find enough cash to actually get the project off the ground. Current major projects for this cinema enthusiast of considerable physical size include the recently announced Michael Klüger package of films, many of which are for the Rank Organisation, and Iran's Ibox film corporation which is currently the funnel through which considerable Iranian funds are being poured. Kijzer's job is to see that the films get seen as well as made, and produce a profit for the investors involved. With the cinema turning more and more to big budget pictures the role of men like Kijzer, who can fix showings distributions from Sarawak to Serinam, is crucial. Oddly enough there is still a shortage of high budget quality pictures in the world. "There are lots and lots of low budget movies about. But they cost as much to release as a big picture. Most of the products do not have a chance. They should ask me first."

Some of the additional traffic expected in the South-East or so the Government hopes—but many more passengers, perhaps up to 16m. a year, will have to be handled at Luton, and there is now no doubt in many aviation minds that much greater use will have to be made of Stansted, despite the environmental objections a few years ago to any further development there. With the pressures on Heathrow and Gatwick becoming intolerable, Stansted, with less than 4m. passengers a year, good road access with the M-11, and a long runway already available, is the ideal candidate to take at least up to 4m. passengers a year, if not more, in the 1980s. Contributors: Arthur Sandles, David Freud and Michael Donne.

A familiar tale from Walton Heath

BY ROGER PAUL

WITH ALL but one of the eight seeds scattered around the gorse and heather, the English amateur championship continued in familiar vein at Walton Heath yesterday. In recent years the seeds have been noticeable by their absence in the finals, with two complete finals in the last four years contested by unconsidered golfers. In 1974 Mark James beat John Watts at Woodhall Spa by 6 and 5 and the following year Nick Faldo beat David Eccleston by 6 and 5 at Royal Lytham St. Annes. This year there was bound to be at least one unseeded player in the final. The second semifinal between two such, Sunningdale's Mike Hughesdon and John Mayell of Copt Heath and Warwickshire, while the first match was between the solitary seed left in, Mike Kelley, and Worcestershire's Terry Shingler. After 10 holes Shingler led Kelley by three while Mayell was two up on Hughesdon after seven. When the day began there were two seeds left and for Godwin the eighth seed, defeat in the quarter-final against Mayell was particularly sickening. For two years now this general 6 feet 6 inch golfer has been winding his frame into the narrow confines of a Dormobile and travelling the country in search of golf tournaments. The object in mind has been a national title and with the wholesale slaughter of the seeds in his half of the draw it looked as though his best chance had arrived. It would, in many ways, have been a just reward. Godwin gave himself two years off the family business and in that time has been spending at the rate of about £1,000 a year on entrance fees, food and petrol for the Dormobile. "But there comes a time," he said yesterday "when you have to think about things other than golf. For me that time has now arrived. I'm getting

ENTERTAINMENT GUIDE

Entertainment Guide listing theatres, operas, and cinemas with showtimes and prices. Includes sections for OPERA & BALLET, THEATRES, CINEMAS, and CARS.

Weekend... out, off... Advertisement for a weekend activity or service.

Bicycle putsch... Advertisement for a bicycle event or product.

Chequered Flag... Advertisement for a car or driving-related service.

PERSONAL SOCIETAS... Advertisement for a social or personal service.

Flightful experience... Advertisement for an aviation or travel experience.

Travel

Off to the islands

BY PAUL MARTIN



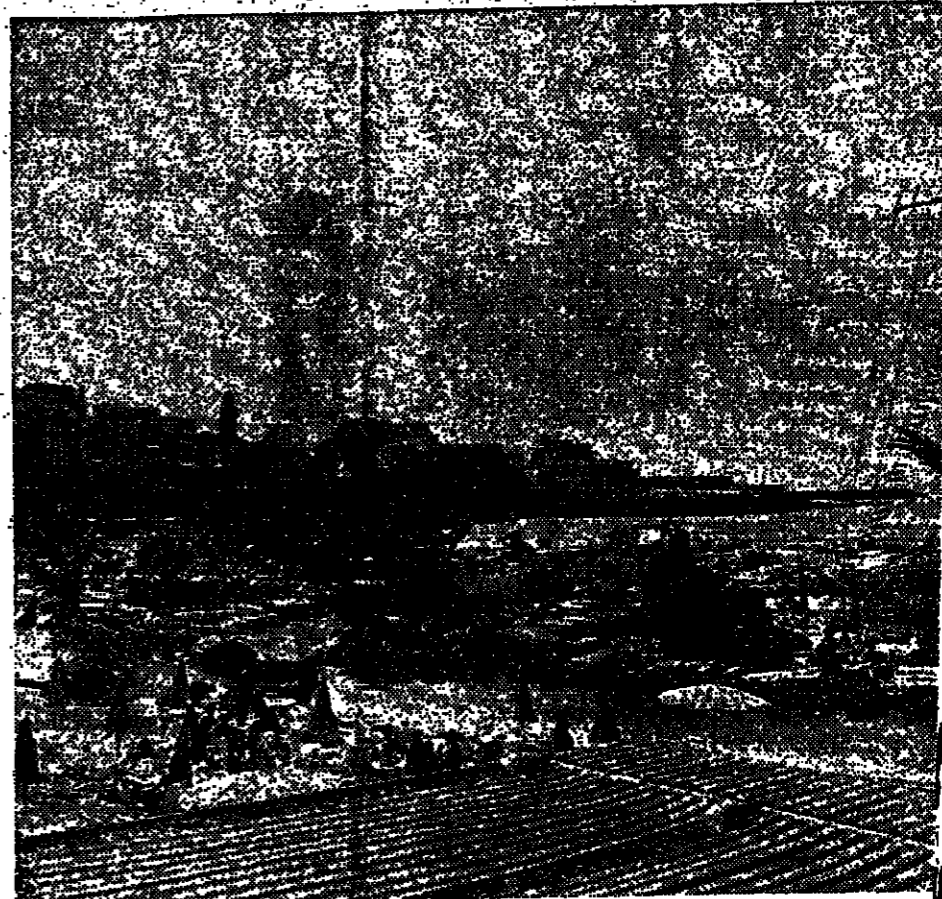
Azores. S. Miguel

WE ALL have a vested interest in the islands that lie, some of them far out, in the Atlantic. It is from there that a good deal of our own weather originates and the long-familiar and justifiably sombre tones of the weathermen have been known to dwell on the eventual outcome for us of a depression over the Azores.

The Azores form part of this story but, before touching briefly on three of the islands, I would like to start nearer home in the Canaries, surely the most familiar holiday haunt of a generation that has long been accustomed to taking a foreign holiday.

Even so, each island has its own distinctive character. Tenerife set out to create the major purpose-built pleasure resort of Puerto de la Cruz, a kind of mini-Miami in a Spanish setting. While it has become fashionable to knock Puerto as a concrete jungle, it makes a very good centre from which to explore Tenerife's natural delights, the spellbinding crater region of Las Cañadas and the sheer majesty of the peak of Teide rising to over 12,000 feet.

Lanzarote is perhaps an acquired taste. I called in there on a cruise and found it one of the strangest places on earth, half expecting that transport would materialise in the shape of a moon-buggy. Great boulevards scar the seemingly lunar landscape yet this apparently barren and unyielding soil produces a potent white wine from



Canary Islands: The Lido Puerto de la Cruz, Tenerife.

moisture created by the dew in pools of the luxury hotels in Funchal.

Bermuda, on the other hand, provides more immediate links with home and a leisurely drive at 20 mph—the maximum speed limit—will find you passing through Pembroke and Warwick, with Southampton thrown in for good measure, past splendid beaches of fine white coral sand. While there are no hire-cars in the island, you can chuff-chuff your way round on a moped or sample the many fine golf courses before dining out at the water's edge in Hamilton. Bermuda is a long way removed from the Caribbean and is at its best in our spring and summer.

Finally back to the weather and to the Azores. I can only report that, when I was there a week ago, the sun was shining brilliantly from a clear blue sky.

Three of the islands, a kind of half-way house to the mariners of the past and to-day, which speed you there in just two hours from Lisbon, have major airports served by TAP. A local feeder service, facilitating inter-island hopping, is operated by SATA.

While I hope to write later of the Azores in more detail, I was certainly aware of considerable contrasts in the three islands I visited.

S. Miguel, with Ponta Delgada as the largest town in the archipelago, boasts a spectacular natural phenomenon and I drove out beyond the airport to climb

Small Print

Anyone who thinks that all these low fares to the U.S. that are promoted constantly by airlines and tour operators are easily available had better think again. The FT travel page tried this week to buy just one return ABC ticket to any point in the U.S. in early September — and found difficulties. British Airways joined British Caledonian and normally helpful mammoth like American Express is making embarrassed sighs and offering other, more expensive, flights. All were unable to provide what the advertisements suggested were available. "The demand, particularly to the West Coast, has been amazing," said Amex. "You couldn't wait until late September could you?" ABC tickets have to be booked and paid for 45 days ahead. However, it seems you have to think much further in advance to get the flights you actually

want, particularly if your need is for peak summer season or Christmas.

© Moon Holidays, for a long time known as one of the better villa operators on the Algarve and elsewhere, is venturing into the Atlantic. Moon, already involved in hotels in Madeira, is to offer villa holidays on that island this winter. The company is offering villas in a self-contained holiday complex at Machico, about 15 miles from Funchal. Details will be in the Moon winter brochure out within a few weeks.

© The winter sports brochures are starting to arrive. The business has had a rough patch over the past couple of years but has now settled down to an established market. Austria remains the most popular destination, for the British, but Spiezia is making rapid inroads into the market. If you want a Christmas booking, or one in a good resort in late February or early March, book soon. If you fancy the Pyrenees remember that if the snow is bad, there is nowhere else to go—so steer clear of the early or late season. At least in Austria there's always Mozart and apfel strudel to keep you occupied.

The tills are ringing and the lines are forming at New York's plush restaurants. The expense account is having its effect, as Egon Ronay reports

Caviare and contacts

THEY NEED 23 booking clerks to take table reservations at the spectacular Windows-On-The-World restaurant on the 107th floor of New York's World Trade Center. Well-dressed, but imprecise, hopefuls, wait nightly in the entrance hall of

the glamorous Regine's, a nightclub restaurant in Park Avenue. Even on Monday, worst of all nights at restaurants the world over, I saw no free tables at the elegant, excellent and prestigious Four Seasons in the Seagram Building. At the Sheraton, the world's most expensive restaurant, \$100-\$150 a head New Yorkers, inveterate eaters-out, as they are, read them avidly and appropriate their views when consulted by strangers in town.

Mimi Sheraton insists that, in spite of this long-lasting spending spree, culinary standards at the top are declining, because of rising overheads, poorer ingredients and the quest for a "theatrical" experience at eating places.

In my much more limited experience, New York restaurants, as opposed to snack bars, are much better than London's, the choice is far greater and eating out is much more fun, which is what Mimi Sheraton means. If quality has been slipping, it cannot be due to shortage of staff, of which there is plenty in New York. In many restaurants, too, is expert and in Britain, waiters can earn around £300-£350 a week.

Wines are highly priced and the selection studded with precious growths and ripe wines (Alexis Liechine once told me



Windows of the World

But the most important reason for the new boom in luxury restaurants is the realisation that, beyond a certain level, there is not much point in increasing salaries. Job benefits and in-kind advantages count for more when it comes to improving one's "quality of life." Hence the greater expense account spending (some 60-65 per cent on credit cards), the high occupancy rate of expensive hotel suites, demand for dearer cars and the fact that airlines wish they could increase the number of first-class seats.

Hence, also, the astonishing nuance which London luxury hotel prices are accorded by American tourists (for example, £70 a night without breakfast, service or tax for the marvellous new double bedrooms of the Ritz). Thankfully, this American trend fattens our own tourist coffers.

Our own restaurant scene could well do with a similar situation here, once the visiting tide has receded.

The abolishing of deductions for entertaining is which the start of in our standards, best restaurants short-sighted act demolition of tarrants (Capp Coq d'Or) and their ir retrievable

Thankfully, in posed to the sp luxury hotel room air travel, the reward in kind ing in Britain, t days the legend American menu thinkable here: ment is not resp and bargains stru periods."

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Gardening For the love of tulips

TULIPS are unique among flowers in suffering from a disease which has on several occasions caused people to act in a highly irrational manner. Tulipomania has swept various countries at different times causing speculation in tulips to an extent and at a level which in retrospect does seem slightly mad and which brought financial ruin to many.

The first and most outrageous outbreak occurred in Holland in the early 17th century reaching its peak between 1634 and 1637. Enormous prices were paid for single bulbs and people of all classes became involved from the humblest servants to the most exalted noblemen. Often the tulips were exchanged by barren and withered Blunt, in a fascinating book, *Tulips and Tulipomania*, just published by The Basilisk Press, (tell how one bulb of a tulip named Viceroy was paid for with two loads of wheat, four loads of rye, four fat oxen, eight fat pigs, 12 fat sheep, two hogs heads of wine, four barrels of beer, two barrels of butter, a thousand pounds of cheese, a bed, a suit of clothes and a silver beaker, the whole valued at 2,500 florins.

A quarter of a century later the tulip began to exercise its strange fascination in England through speculation never reached the fantastic proportions of the Dutch outbreak. Still there was a period when it was the height of fashion to collect special varieties of tulip and, if necessary, to pay very high prices for them. Occasionally, despite tulipomania, English gardeners retained characteristic of them. A writer of the period refers approvingly to Sir Thomas Hamner, friend of John Evelyn, making freely available bulbs of Agate Hamner, a beautiful three coloured tulip which he had brought to England, presumably from Holland.

It was precisely these multi-coloured tulips that were so highly prized and which caused all the excitement and speculation. The irony of it is that they are themselves the product of disease. Tulips are naturally self-coloured or, if they show a second colour, it is usually confined to a more or less circular zone at the base of the flower. But in common with most other plants they suffer from various virus infections one, or maybe several, of which cause the red or purple element in the colour to "break" or become "rectified" to use the fancier's terms, which simply mean that the colour becomes concentrated in certain parts of the flower leaving the yellow or white element exposed elsewhere.

Often this breaking occurs in a fairly haphazard way but occasionally the most beautiful, regular feathered effects are produced and it is these which have thrilled collectors so much that they have been prepared to go to almost any lengths to possess them.

For these specialists self-coloured flowers are only esteemed according to their potentiality for producing good broken coloured flowers and those known to do this regularly are known as "breeders." To obtain a good break from a breeder it is still necessary to wait for the spread of the virus which is normally carried from plant to plant by greenflies. Maybe one day it will all become part of what is now called genetic engineering for surely a virus that can produce such accurate effects upon the working of genes must be of more than passing interest to scientists?

However, *Tulips and Tulipomania* is more than an account of a strange horticultural phenomenon. It is also a vehicle for the presentation of a remarkable artist, Rory McEwan.

He specialises in painting single objects with the most meticulous care and yet making them visually exciting. Some years ago he illustrated a monograph on arculias by C. Oscar Moreton and he is currently working on fritillaries for a book which the Basilisk Press hopes to produce at some future time.

The present set of 16 paintings show superbly the range of colour and pattern of the

broken tulip and helps one to understand why they still fascinate many flower lovers though there is no longer much financial reward in producing them since the general public prefers to look at great masses of colour in beds rather than concentrate on the exquisite markings of a single flower.

Nevertheless, one finds broken tulips in many places, some of them unexpected. I was astonished to come across a bed of them in the old kitchen garden at Achamore House on the tiny island of Gigha off the coast of Argyll where they had been planted by the late Sir James Horlick, a leading grower and breeder of rhododendrons.

But it is in small gardens in the Midlands and north of England that some of the best ground tulips are to be found today. As the industrial revolution swept through England, the rural workers who were sucked into the new towns and factories brought their plants with them and formed societies to foster their specialties. There were arculia societies, pansy and viola societies, carnation societies and many more, including tulip societies.

One of these, the Wakefield and North of England Tulip Society, founded in 1836, is still flourishing and it was blooms provided by its members that Rory McEwan painted so perceptively for *Tulips and Tulipomania*. Here they are, captured

ARTHUR

How to spend it



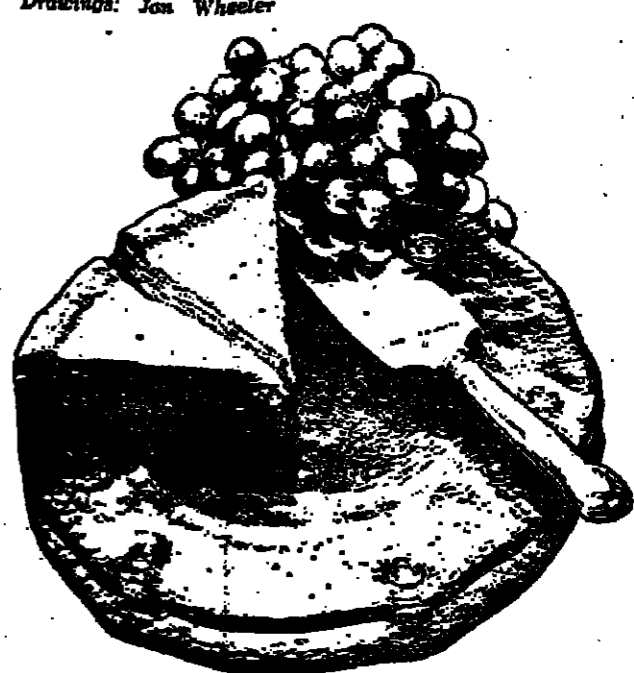
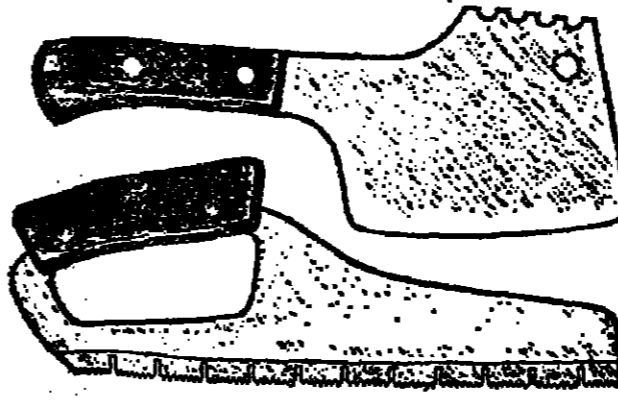
Terry Kirk

Fair weather charmer

ooking for a summer dress that is and charming enough for a party... This Liberty Print cotton dress Black Sheep could be the answer...

Hints for the frugal housewife

With the great growth of interest in growing more fruit and vegetables at home has come, through happy necessity, the urge to know more about preserving...



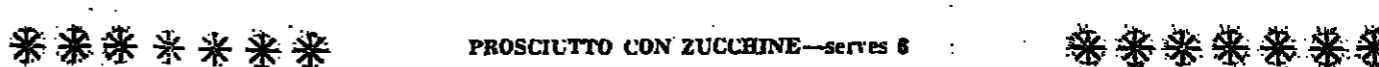
of Essana. The glass is of course, beautiful but I like particularly the fact that the dish, though roughly circular, has a slightly uneven irregular edge to it which gives it great charm...

AS MOST freezer owners will already know now is the time to discuss with your butcher special reductions for buying beef, pork and lamb in bulk...



Cooking with Philippa Davenport

FEW THINGS are more maddening than planning a meal with care only to find that the weather does a complete turn-about between the time you decide on a menu and the time you sit down to eat...



PROSCIUTTO CON ZUCCHINE—serves 6

Here is a good Italian dish where the braising vegetables and marinade are used to make a delicious sauce. I always use unsmoked Danish gammon because quality and flavour seem consistently excellent...

CHICKEN AVGOLEMONO—serves 6

A lovely creamy, lemony dish which is nicely offset by nutty cheese and either a fresh green salad or a fresh green salad with cooked lettuce garnish (when serving hot). It is not, however, worth making this dish with a boiling fowl...

MEDITERRANEAN PORK—serves 6

This excellent dish is also good if made with a boned and rolled best end of lamb. Irrespective of whether I serve the dish hot or cold, I always accompany it with a crusty hot French loaf...

DILL-PICKLED SALMON—serves 6

This traditional Swedish recipe is exquisite for salmon (I use the tailpiece of frozen Canadian salmon) and trout and can also be used for mackerel. You can hardly use too much dill—the leaves not seeds. Fresh is best but freeze-dried (cedar) dillweed by Pannett and Nuden, and Bart's is all right...

VITELLO TONNATO—serves 8

One of the best of all dishes to enjoy if and when summer weather is set fair. Fillet of veal works out about the same price as boneless leg of veal, cooks faster and is easier to carve. I would always suggest using it. A salad of lettuce, hearts generously sprinkled with chopped chives and parsley, plus French bread for mopping up the sauce, make perfect accompaniments...

ge

Queen—frustration number one. East overtook and continued the suit, and I held up my Ace until the third round. When West threw the diamond...

Chess board diagram for Position No. 178. Includes text: 'approach to the opponent's potential weaknesses. He will choose an active style against a sound positional opponent who is inclined to be too cautious...' and 'White: J. Smejkal (Czechoslovakia); Black: U. Andersson (Sweden). Opening: Sicilian/King's Indian (Belgrade 1977)...

PROBLEM No. 176

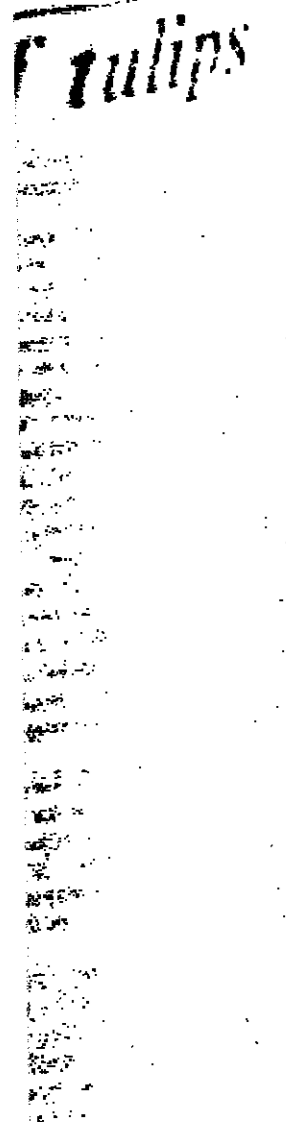
Chess board diagram for Problem No. 176. Includes text: 'BLACK (2 men) WHITE (4 men) White mates in three moves, against any defence (by H. Bartels, Deutsche Schachblätter 1934). (Solutions Page 2.)'

PROBLEM No. 177

Chess board diagram for Problem No. 177. Includes text: 'WHITE (4 men) Black: 18 N-N4, N-B4 (backward attacks are the most likely to be missed; here the white Q is prised away from defending the king...)

PROBLEM No. 178

Chess board diagram for Problem No. 178. Includes text: 'White: J. Smejkal (Czechoslovakia); Black: U. Andersson (Sweden). Opening: Sicilian/King's Indian (Belgrade 1977)...



Property New costings on the costas

BY JUNE FIELD

"PROPERTY in Spain will look very interesting now," was the comment made by several overseas agents and developers after Spain's devaluation. Quick to promote the new costings were Overseas Services Ltd. (OSL), the holiday villa-renting people who also sell property in the Spanish Balearic Islands.

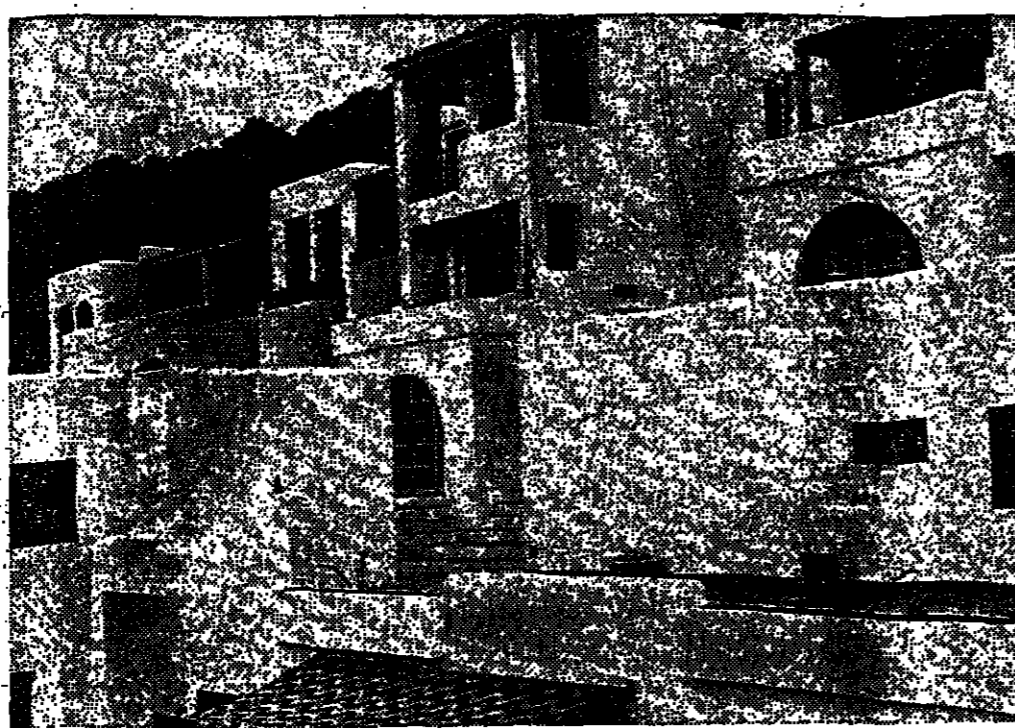
About £10,000 will now buy a fully-furnished 3-bed brand new apartment in their development Hamilton Court, Santa Tomasa, overlooking the sea on the virtually unspoilt island of Menorca, about 17 miles from Mahon, the capital.

Worked out at the prevailing 40 per cent, this includes the dollar premium, and it is a virtually trouble-free package deal that was pretty good value at £12,750, under the old conversion rate of around 115 pesetas to the £, as against the new one of about 150. More than 30 of the 55 flats which were completed in May, 1976, have been sold to British, American, Spanish and Middle East buyers. (An OSL development, the actual building was designed by well-known Spanish architect Carlos Sobron, and supervised by British quantity surveyors Tillyard and Partners).

"The assurance of knowing more or less straight away what an extra would amount to, gave the project a boost right from the start," says Barry Hendin, OSL sales and contracts manager, who admits that they are now looking confidently to the Middle East market for the top end of the sales, such as £23,501, down from £29,880, for three-bed apartments, and £29,054 for the penthouses, which were £38,930; substantial reductions likely to appeal even to the oil-rich.

Furnishings in the apartments, which are complete down to the last tea spoon, are pleasing and tasteful, the various schemes concentrating on attractive local pieces rather than shiny, Spanish modern. The position is ideal for family holidays, as the blocks front onto a gently shelving sandy beach, with open fields on the hillside at the back. There is also a swimming pool, solarium and private gardens.

Other OSL offerings are the one and two-bed terraced houses now remaining on the enchanting Puerto Mediterraneo on the larger island of Majorca, from £14,127, while on Ibiza, apart-



Two-bed apartments at Pueblo Esparragos, Cala Longa, Ibiza, developed by Owners Services Ltd., can now be bought for £13,840, including the

investment premium and furnishings, the "new" price since Spain's devaluation. Details Barry Hendin, Property Division, OSL Broxbourne, Herts.

ments in the Edificio Bahia, on the sea-front at San Antonio, which have terrific unobstructed views across the water, are from £9,660, all prices inclusive of furnishings and premium.

Whether you buy on the islands or on the mainland, through OSL or other developers it could be well worth becoming an OSL member. For £324 a year you get a confidential handbook which lists everything from flight and car hire arrangements to letting potential and maintenance, with the information constantly being updated. For brochure and property details write Barry Hendin, Property Division, OSL, Broxbourne, Herts.

Incidentally, if you are retirement age—60 for a woman, 65 for a man—and you intend to emigrate, then you can take £20,000 premium-free. The figure of £5,000 which less mature emigrants are permitted, is now totally unrealistic, fixed many years ago when it was possible to buy a sea-front apartment in Spain for £2,000 or even less. When you see a private property advertised as "premium paid," be sure and check that it is—by asking for the seller's Bank of England number, which your own bank can check. And although the amount will naturally have been added to the price being asked,

if the original purchase was made when the premium was low, then it could be a good buy. And it is policy, anyway, when buying abroad, to get the whole transaction vetted by your bank, certainly before parting with any money. There is enough selection of property on offer without being rushed into signing-up for anything.

On the mainland, an enterprising and enthusiastic English couple, Sonia and David Reckitt, who have made their home in the hills behind the old Spanish town of Javea, on the Costa Blanca, Spain's beautiful white coast, run their own highly successful "care and repair" service for visitors and residents in the area. This covers everything from regular house and car inspection (many shortstay owners find it worth while buying an old car in Spain and leaving it there to use on brief visits, instead of subjecting their regular vehicle to wear and tear), to getting property ready in advance for owners or tenants.

This means looking after those niggling little jobs like making sure the water, electricity and gas services are in order (nothing is worse than arriving in the middle of the night and finding that you cannot even make a cup of tea, because the gas bottle which feeds the cooker is empty), as well as

getting in essential food supplies. Their service has now been extended to include selling property, and David Reckitt acts as agent for Construcciones Casals, local builders headed by Antonio Casals, a charming Spaniard with a local boy makes good background. Born in the delightful little village of Furna, a few kilometres from Javea, he started work in the local limestone quarry, buying his first quarry in 1955. Four years later he bought his own crusher and grading machine, and he now owns several quarries and four crawler tractors. He began building flats in Javea in 1962, progressed to building villas in 1972, and has now completed some 50 villas, 16 holiday flats and a half-a-dozen conversions.

"I just want to keep on building," he told me, "anything from casitas to palacios!" The best advertisement for his services is the air of contentment and pride which he has in the villas he has built for the Reckitts at Las Colmenas (the beehives), an unbelievably tranquil spot in the shade of the mountain Montgo. After leaving the Alicante/Valencia highway, you drive along the Jesu's Pobre Road, and turn off at the little church Ermita Papat, and keep going up the hill through the almond trees. For a three-bed villa, with all the trimmings—

bathroom, shower, good quality kitchen fittings, large terrace etc., in a moderate sized wooded plot, prices could now work out about £10,000 net, give or take in a peseta or two, according to what individual touches are required. On to this you must add the premium if it applies, and the cost of furnishing—unless you decide to ship your own, which the Reckitts did, just adding local pieces bought in the straw-work shops which line the streets in nearby Gata.



Construcciones Casals build villas on Las Colmenas (the beehives), a tranquil wooded site on the gently sloping hills of Montgo, behind Javea, on Spain's Costa Blanca. This arched and beamed living-room, with 3 or 4 bedrooms, bathroom and kitchen, is typical of those in the villas, which, with the devaluation of the

peseta, now cost from about £10,000 net, give or take in a peseta or two, according to what individual touches are required. On to this you must add the premium if it applies, and the cost of furnishing—unless you decide to ship your own, which the Reckitts did, just adding local pieces bought in the straw-work shops which line the streets in nearby Gata.

The situation here is suitable for permanent living, and there is a small community of British, some expatriates, who have settled. Full details from the Reckitts at MG-152, Javea, Alicante, who can arrange to meet you at the airport if you prefer, and drive you round a selection of various properties for sale. The great thing about this area is its accessibility and the amenities. There is an airport at Alicante and Valencia, a marina is under construction at the little fishing village of Oliva, where a magnificent new jetty, Don Coy recently opened, and Benidorm, a few miles away, however much maligned, is an all-the-year thumbprint on the necessary round attraction, with its sophisticated shops, hotels and entertainment. For details on Sandycombe Road, Kew, Richmond, Surrey.

vilas being built around the perimeter of the golf club, writes Altoner S.A. Ayda del Generalissimo, 61, Madrid, or call in at the local offices along the main road at Altea. If your inclination is for traditional, old Moorish or Andalusian village houses between £3,000 to £5,000, with water and electricity, and the necessary basis for comfortable living, Jon Butterfield, one of the pioneers in the conversion market in this part of the world, is still selling converted cottages for permanent living, and there is a small community of British, some expatriates, who have settled. Full details from the Reckitts at MG-152, Javea, Alicante, who can arrange to meet you at the airport if you prefer, and drive you round a selection of various properties for sale.

Collecting The steam age

BY JANET MARSH

THE OLD STATION—as well as its Monkwearmouth, Sunderland, and with its massive Doric portico, "Novelty" and stands as a noble monument to the great era of the railways. Actually it was intended rather as a personal monument to George Hudson, the railway king. In 1843 Hudson had just been elected M.P. for Sunderland and as Chairman of the Tyne and Wear Railway, he celebrated the occasion at the shareholders' expense by building a station considerably more impressive than was called for by its actual importance as the Sunderland terminus.

The architect, Thomas Moore, had already left his mark on the buildings of Newcastle, Sunderland; and his speciality as a designer of theatres is perhaps reflected in the rather dramatic asymmetry of the Monkwearmouth building. The enterprise of Hudson and Moore has not been wasted in the eyes of history; in 1971 the then derelict building was bought by the Sunderland Corporation, and two years later was opened by the Duke of Edinburgh as Monkwearmouth Station Museum of Land Transport. To-day it is the delight of anyone with a feeling for the nostalgia of the steam age.

The exhibition items decorated the walls, and there is no piece of the station which has not been refurbished as they might have been seventy years ago; and the station is kept alive by the Newcastle-Middlesbrough line which still passes through. Not all the larger exhibits of actual rolling stock and engines are on show due to present lack of space (the old siding areas will eventually be brought into use); but the smaller items provide a comprehensive picture of early railway development.

Currently the Museum is presenting an exhibition of Railway Commemorative Pottery (until September 4)—many of the items on loan from the great Blewitt Collection about which I wrote some weeks ago in connection with Royal commemorations. In view of the intense excitement of the railways (and particularly the revolution brought to the Potteries, as to every other branch of industry, by the improved system of transport) it is surprising to find that comparatively little railway commemorative ware was produced. Possibly the openings of lines and stations all happened too fast to be recorded. In fact only two inaugurations—the Liverpool and Manchester line in 1825 and the Sheffield and Rotherham in 1838—appear to have been commemorated in this way.

Other events of sufficient import to be pictured on plates and mugs included inevitably the Great Rainhill Trials held in 1825 to decide on the locomotive to be used on the Liverpool and Manchester line. Plates and mugs depict the winning engine, Stephenson's "Rocket",

Saleroom
Flemish paintings in demand
The London salerooms were unusually busy yesterday. At Christie's continental pictures sold for £228,910 with a frozen river landscape by Charles Henry Joseph Leickert which sold for £16,000. A Belgian dealer, Campo, paid £9,000 for The Attorney by Gerard Portielles.
Other high prices were for the Lichtenstein limo which sold for £13,360. Emery beat £7,200, and St. Gallon marine John Arnold, pendule portrait calendar, the moon, by J. made £4,000, a paid £3,200 for a satinwood music box by John Taylor.
Perhaps more than the sale of continental which realised Falmley Tales by Grimm, illus. Hockney in 1894, and ten lithographs entitled "Wind" sold for £2,500, a record company bought ten copies of Warhol, "El Flowers" for £2,500. Lichtenstein limo, sold for £13,360. At Bonhams tinental porcelain, £34,755. A flower encrusting Roman 34 inches high 1840 was bought £2,400, and it acquired a patinated vases for inches high for £2,500.
Over at Sotheby's scientific ANTONY T

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HOME NEWS

Basic Ford to cost £2,000

BY TERRY DODSWORTH. THE ERA of the £2,000 basic motor car arrives in Britain today with Ford's announcement of a 6.5 per cent price increase which takes the Escort Focus to £2,023 including tax and VAT.

Ince power site may have to close

By Roy Hodson. ELECTRICIANS working on the new Ince B power station on the Mersey have been warned by the Central Electricity Generating Board that their pay will be stopped unless productivity improves.

£1bn. more for Steel Corporation

By Ivor Owen, Parliamentary Staff. THE BRITISH Steel Corporation, in the midst of the worst financial crisis of its 10-year history, is to be given a new financial target by the Government.

Privilege plea by State oil corporation

BY RAY PERMAN, Scottish Correspondent. THE BRITISH National Oil Corporation has asked the Government for eight North Sea blocks in an exclusive allocation of licences that will not be open to private oil companies.

Lord Kearton, chairman, said yesterday that the Department of Energy had been told informally which blocks the corporation wanted, but had not received the written application.

Redundant workers agree to keep factory operating

THE 1,000 workers facing redundancy at the Glenfield and Kennedy hydraulics works in Kilmarnock, Strathclyde, yesterday agreed to co-operate with the company's receiver in completing outstanding orders worth about £2m before the plant is closed.

New jobs subsidy scheme attracts 300 applicants

BY DAVID FREUD, INDUSTRIAL STAFF. MORE than 300 small businesses have applied for the Government's new jobs subsidy in its first two weeks of operation.

Probe of work prospects in inner London planned

BY JAMES McDONALD. A SMALL group of private experts may be used by the Greater London Council to help stimulate investment, identify job-creating projects, and improve the environment in inner London.

Labour attack on Steel deal is muted

By Richard Evans, Lobby Editor. SIX resolutions hostile to Mr. Callaghan's Parliamentary deal with 'Mr. Steel', the Liberal leader, have been submitted by local constituency parties. There are none supported by the party that has ensured the survival of the minority administration.

Nevertheless, relieved Ministers were pointing out that six resolutions from more than 600 constituency parties is a remarkable small party and shows that most party activists have accepted the need for the pact to ensure Labour's continuation in office.

Underlying

Even so, its continuation will be under fire in events throughout the week. Criticism is certain to surface in some form. The resolutions call on the Government to break off the pact. One suggests Labour would be defeated unless the Government changed course and ends all negotiations with pro-capitalist parties.

Indications

The Parliamentary Labour Party has already made it clear that it wishes the choice of leader to remain exclusively with MPs. But the final choice will rest with the big trade unions with their large block votes.

Ten weeks to register companies

By Keith Lewis. It now takes at least 10 weeks to have the name of a new company approved and registered at the Department of Trade.



Mr. Roy Jenkins, President of the EEC Commission, at his talks in London yesterday with Dr. David Owen, Foreign Secretary (left). London was the last stop on a tour of the nine Community countries that Mr. Jenkins began after taking office in January.

Tough fisheries stance by Silkin is approved

BY IVOR OWEN, PARLIAMENTARY STAFF

BRITAIN would take further unilateral action if necessary to ensure adequate fish conservation measures in her own waters, Mr. John Silkin, the Minister of Agriculture and Fisheries, told the House of Commons yesterday.

Mr. Silkin acknowledged concern about the possibility of still greater over-fishing of mackerel in the south-west coast as a result of the ban on herring fishing in the North Sea.

Milk sales fall by 44m. pints while production increases

BY CHRISTOPHER PARKES

MILK consumption in England and Wales fell to its lowest level for at least five years last month. At the same time, milk output boomed, reaching the highest level in two years.

Mulley defends spending cuts

BY MICHAEL DONNE, DEFENCE CORRESPONDENT

THE GOVERNMENT has rejected suggestions by the Commons Expenditure Committee that the cumulative cuts in defence spending in recent years have severely reduced the U.K.'s ability to play its full part in the North Atlantic Treaty Organisation.

Appeal may halt uranium case

BY PAUL CHEESRIGHT

JUDGE ROBERT MERHIGE of the Federal District Court of Virginia will cancel a preliminary hearing planned for Monday afternoon in the Westinghouse uranium case if seven Rio Tinto Zinc Corporation executives are successful in a Court of Appeal action to be heard on Monday morning.

Wales campaign for investment

BY CHRISTOPHER E

A MAJOR campaign, the advantages of European base facilities being prepared by the Government, Mr. Douglas Hurd, of the corporation annual report.

Lakes radio all clear

Further confir

Greater Manchester is free from came at the Win yesterday.

Patents ban

The European

tion will come October 7. Mr. S. Under-Secretary of the Commons. Law will be drafted with European pr

Newspaper's

An application b

Times to remove publication of n the Slater Walker should be heart vacation in August three appeal just yesterday.

Canada uranium joint venture pact

BY PAUL CHEESE

THE CENTRAL Generating Board sign a joint venture with Western Vancouver for uranium exploration in Canada. The agreement will Board's strategy nuclear fuel suppl with uranium in comes at the explo Heads of agreement in January and pr of the joint ventu being worked out. There are no compl Board said yeste agreement signed by the summer.

The Board will ha cent interest in venture, which w tem exploration by which are in Sask Western is manag which has started basis. Generating sonnel are in Car

Encouraging

So far the most results have b Costigan area of 5 where the next p important Key 1 find. At this site West co-operating with bow Oils of Cal The Board's involv from a policy de industry on the It is already involv in Canada. In Aus U.S.

Wales campaign for investment

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Mr. Eugene Case Chrysler Corpora one of the main European Motor Frankfurt on Sep 13. The confere by the Financial sponsored by Aut

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THE FINANCIAL TIMES

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SATURDAY, JULY 23, 1977

The squeeze on incomes

THE BEHAVIOUR of the stock market this week—industrial shares have fallen steadily, gilt-edged stocks fell sharply at the beginning of the week before turning up again—

the annual Congress, places great emphasis on the rule of a 12-month gap between successive pay increases—though Mr. Len Murray admitted that this might not always be easy to do in practice.

Reactions This drop in purchasing power during Phase Two is one of the main reasons for high wage claims once Phase Two is over. But the continuing drop in consumers' expenditure also illustrates the sluggish state of the economy.

Letters to the Editor

Accounting

From Mr. J. Prince. Sir—Professor Reid's and Jeffrey English's recent articles (July 13 and 19) admirably set out the pros and cons of current cost and current purchasing power accounting.

Manufacturers' Association was surprised at the report headed "Time to get rid of carbon paper" on July 12. It is undoubtedly "Time to review the economies of copying" in order to establish the correct usage of carbons and copying machines.

for consumers in developing countries as well as in Russia and Europe. The purpose of international agreements is not merely to have a stockpile of food for use in an emergency, valuable though this is, but also to provide a mechanism for avoiding excessive movements in prices.

than John Cherrington and other critics suggest, and is grossly exaggerated by the temporary conditions of current cereal markets. If we want to reform the CAP and approach the matter in the spirit of good Europeans, there are two very practical avenues: (1) get the green pound as a permanent feature.

MFA (multi-fibre agreement) many people's jobs in the manufacturing industry would be at risk, as in boom conditions we are penalised for greater efficiency by more restrictions by the developed world.

Over the past 20 years the nature of the cotton trade has changed dramatically from an industry which was largely labour intensive to one which is capital intensive, operating in many cases 24 hours a day.

Europe

From Mr. G. Allen. Sir—John Cherrington's offering of July 12 is a depressing piece, clutching at the mirage of the token sovereignty of an ageing nation state.

Obviously, most national and international institutions are under severe strain. Such is the consequence of recession and OPEC. It is easy to find faults and scapegoats in such circumstances. But if the referendum had gone the other way, we Europeans would have been expected to accept the decision in good grace for at least five years.

What the European and U.K. textile industries and in particular the cotton industry are trying to ensure is that we shall not become completely dependent on these sources for our supply of cotton yarn in the near future.

Agriculture

From Prof. Asher Winegarten. Sir—Mr. Cherrington (July 15) advocates a free market in agricultural produce with prices rising and falling in line with supply. This is indeed the "classic cure" for problems of over-supply or under-supply, but it is also the classic recipe for future trouble.

As Mr. Cherrington himself points out, a marginal surplus will always cause a completely disproportionate fall in prices. The consequence of very low prices is a cut-back in production, which leads in turn to a shortfall in supplies and very high prices.

Textiles

From the Managing Director, Holdsworth Brothers. Sir—in your leader of July 15, regarding the renewal of the

of the developing countries, which in



Mrs. Williams and senior education civil servants: (left to right) Mr. John Hudson, Deputy Secretary in charge of schools; Mr. Jim Hamilton, Permanent Secretary at the Department of Education and Science; Mrs. Shirley Williams, Education Secretary; Mr. Edward Simpson, Deputy Secretary in charge of planning and teachers' employment; and Mrs. Sheila Brown, Inspector of Schools.

The real education problem

BY MICHAEL DIXON, Education Correspondent

THE continuing employment of bad teachers inexorably damages the educational and life prospects of many thousands of the nation's children who are obliged to undergo—

schools, more rigorous and consistent testing of the work of teachers and pupils, and the teaching of the importance of industry and commerce in Western democratic society.

judgment. It described the Education Secretary's idea that teachers' competence might be more rigorously tested, as "entering a mine field."

turn generally concede most managerial decisions to the head-teachers and their staff. The strong local authority associations are jealous of their preserves.

Over the past two decades of educational expansion, the ability of central government to bridge the gap between educators and laymen has become even less than it was before.

agical," commented Casey, the NAS/UV secretary. "We shall a good job and aching worthwhile."

The greater share of the blame for the recent weakening of management control belongs to the higgledy-piggledy systems of supervision. During the years of constant pressure on central and local authorities to expand schools and colleges and increase their staff, these systems were too diffuse to prevent a slippage of control to the heads and their staff who had not been trained for the discharge of the extra responsibility.

authorities which directly finance, staff and supervise the schools and further education colleges. In particular, measures to develop links between schools and employers are left to the initiative of "local education authorities, schools and industry to get together and decide which proposals best suit them."

Central government's power to close this gap has never been large. The education system has grown over a long time from institutions privately formed by religious and mercantile bodies and wealthy philanthropists into an amalgam of more or less independent establishments such as "public" schools and universities, and schools and colleges in the domain of local government.

The Department of Education and Science and local education authorities are culpable to some extent, because they have undoubtedly abdicated some of their statutory responsibilities for ensuring that the education provided is "efficient" and "suitable."

It is understandable why Mrs. Williams has offered her proposals so tentatively. She is an ambitious politician. But the Green Paper's approach also has the support of senior officials at the Department of Education and Science who have a more lasting, direct commitment to the improvement of the system.

Even so, the wily easily be made in and the Education confirmed that gives for schools wided for industrial Education Act sp the Green Paper, statutory object schools would be achieve with non children are in favoured by senior will remain in t- Department's changes in Cabi party.

Consequently parents, employers and other educational laymen are likely to share the view of Mr. Norman St. John-Stevens, Conservative spokesman on education, that the Green Paper is disappointing. This likelihood is the stronger because the document is so far the only result of the national debate on education initiated in rippling tones by the Prime Minister last October.

It may seem strange, therefore, that the proposals have been described by members of educational interest groups as "vicious." And while the 236,000-strong National Union of Teachers generally reserved

the greater share of the blame for the recent weakening of management control belongs to the higgledy-piggledy systems of supervision. During the years of constant pressure on central and local authorities to expand schools and colleges and increase their staffs, these systems were too diffuse to prevent a slippage of control to the heads and their staffs who had not been trained for the discharge of the extra responsibility.

However, apportioning blame is beside the point. It is the system as it exists to-day which has to be improved and re-directed towards greater rele-

Defined obj schools, backed l would give cer ment a far stros managerial actor- now. All that s- quired by law to sent is an amou defined religio- and there is no what children during at least education. The al- could therefore p- steel hand in M- Green velvet glov

RAFIDAI BANK advertisement featuring the bank's logo, name, and details about its services, including reliable and convenient travel cheques in US Dollars and Pound Sterling.

Handwritten signature or initials at the bottom of the page.

A ticket to dreamland

By MICHAEL THOMPSON-NOEL, in Lexington, Kentucky

A great deal of heat and a considerable amount of money has been spent in the last 30 days on the purchase of horses for the Kentucky Derby and Preakness races. Some may never see a racehorse on a racetrack. But when you buy a racehorse you buy a dream, and Keeneland is a dream factory.

Events at Keeneland this week have demonstrated that the world market in bloodstock is as effervescent as ever—is reaching new heights. During four sessions, 324 yearling racehorses were sold for \$27,851,000—an average per head of \$85,543, virtually 30 per cent better than last year. There was some very fancy bidding. Seventy-nine yearling colts, fillies changed hands at \$100,000 or more; of those, 15 made \$250,000-plus and four were bid past the \$500,000 mark.

It is impossible to give the rational explanations of those figures, and no-one was trying. Lot 108 is walked, although sales officials at Keeneland again land cheerfully observed that agents and advisers about 25 per cent of the sales of the money study total had been spent by European buyers, and that a major re-entry into the market of fellow really makes foreign interests was assuredly says a vet from good news.

The heaviest European catch the way he spender was the British Blood. We've got in front stock Agency, Ireland, which has to be half a spent more than \$2m, largely Irish of racehorse. On behalf of a four-man syndicate headed by Robert Sangster of the Vernons Pools family and his trainer, Vincent O'Brien. The yearlings sold at Keeneland were only a tiny fraction of the racehorses which will be sold in the world this year. But in the market: the two they were the cream: the hand July Selected of the crop of the bluegrass area. There is no farms of Kentucky, the racing horse business and capital of the world. That is why the air-conditioned Keeneland this week was overgrown men and rich bankers from Boston, high-rollers from Florida and California—have a fungo, beer-guzzling hoteliers at one another in from Sydney and an elegant attempt to buy a sprinkling of owners and agents from Europe.

They spent until there was nothing left to spend it on, and their departure were toasted on their way by the cleverest company of armed guards late money-men of all the breeders in 1973 having been syndicated of Kentucky, who preside over at the start of that year for a business worth more than slightly more than \$6m. Secretariat's current stud fee is \$80,000-\$40,000 as unreturnable deposit and a further \$40,000 on production of a live foal.

It's a nice line of business. Secretariat covered 50 mares this spring, which immediately put \$2m on the bottom line with perhaps another \$1.75m to come. Further, under the family of Seth Hancock, and Spenchthrift Farm, owned by septuagenarian "Cuzin Leslie" Combs. The scale of operation at the biggest farms is huge. Two years ago, Seth Hancock, Claiborne's president, estimated that his 6,000 manorized, white-railed acres supported 328 broodmares, 148 yearlings, 203 foals and 23 stallions worth a total, on the open market, of at least \$89m. To-day that figures would have to be upgraded to about \$125m. In all, the estimated 22,000 thoroughbreds in Kentucky are probably worth well in excess of \$600m.

helped demonstrate this year is that even the relatively unrich can make a name and fortune for themselves if they really strike it lucky. Seattle Slew was bought at the Fasig-Tipton sales in Lexington two years ago in the middle of a rainstorm that undoubtedly kept some rival bidders away.

His cost above \$17,500, the price of a U.S.-bought Mercedes. Since then, Seattle Slew has followed Secretariat and won the Triple Crown. His earnings at the track have risen over \$700,000 and his current market value is put at \$12m-\$14m, give or take a million. That is what racing is about—the astronomically long-odds chance that a cheap yearling purchase will demonstrate enough mastery of its contemporaries to compel the breeders of Kentucky to make huge offers. The mannered horse with which they sell yearlings is nothing to their attempts to buy Seattle Slew.



America's current wonder horse, Seattle Slew, valued at up to \$14m., winning the Belmont Stakes. It was bought two years ago by a small syndicate for just over \$17,500, the price of a U.S.-bought Mercedes car.

Problem

money wants to see a stunning chestnut unnamed of the rational explanations of those American racehorse figures, and no-one was trying. Lot 108 is walked, although sales officials at Keeneland again land cheerfully observed that agents and advisers about 25 per cent of the sales of the money study total had been spent by European buyers, and that a major re-entry into the market of fellow really makes foreign interests was assuredly says a vet from good news.

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Ex-logger

It is easy to understand why successful Kentucky horsemen grow fat and prosperous on their fertile land. But what can possibly encourage the ordinary horseman to no matter how prosperous to pay \$100,000, \$200,000, even \$500,000 for an untried yearling racehorse, the chances of whose success are water-thin? Only a small minority of the horses bought each year appreciate in value as a result of exploits on the racetrack. Most are dimly costly failures.

A two-word answer to the question is: Seattle Slew. Seattle Slew is America's current wonder horse and undoubtedly one reason why prices are ballooning at Keeneland this week. Seattle Slew is owned by Karen and Micky Taylor and Jim and Sally Hill. Taylor is an ex-logger from Washington State who made a modest fortune in the pulp trade, Hill a Long Island vet. What the "Slew Crew" has

The syndicates

Claiborne is approached through tree-lined avenues and rolling paddocks and is an immensely lucrative enterprise because of the stallions to be found there, among them Secretariat, Riva Ridge, Sir Ivor and Nijinsky. Some are owned by syndicates, some by Claiborne, but most can boast the earnings of a small corporation.

Sir Ivor, winner of the Epsom Derby, has a stud fee of \$80,000. But the hottest property at Claiborne is Secretariat, known as Big Red because of his chestnut colour. Secretariat won the American Triple Crown

businesses and get little or no outside recognition. Join a Seattle Slew syndicate and everyone becomes aware of it.

Peer groups or no, social mobility notwithstanding, Keeneland this week has been a commodity market run riot. Nelson Bunker Hunt, sweating morosely in the heat, bought and sold a few. On the first night, Claude Canada of the Canada Coal Company sat bunched in a pink sportsjacket and bought himself a \$410,000 colt. There was a scattering of Japanese, hunched low over pocket calculators, and an escadrille of big-spending Frenchmen. But for most of the time, most of the attention has focussed on Robert Sangster.

As the sale nears halfway and cigar smoke billows round the ring, the neon price board announces Lot 108, the dazzling chestnut son of Secretariat. Nothing can be heard but a rustling of cheque books. Under

the bright glow of lights, the colt looks magnificent. I was fortunate to get into racing in a fairly big way three years ago. I am also fortunate to have my horses trained by a genius like O'Brien. He must have examined that Secretariat half a dozen times. Was it worth what I paid for it? A year ago, such are the ways of this market, this particular son of Secretariat might have fetched \$2.5m. He has to be a good investment."

The 25th bid is \$500,000. On the 40th bid, the colt is bought by the Sangster syndicate for \$725,000, the second highest yearling price in history. It is with The Minstrel, a \$200,000 yearling price in history, winner this season of the English and Irish Derbys and favourite for inferior, son of Secretariat, and to-day's big race at Ascot. The Sangster reckons he has made a coup.

He owns shares in 140 horses; the budget to break even on my dreamland twice? In the racing and training costs but frenzy and lightheadedness of am showing a very healthy the racehorse market, who capital gain on my bloodstock needs immediate answers when there are questions like those?

ABOUT NEWS

British Airways dispute settled

CHURCHILL, LABOUR STAFF

AT to British Airways flights when a 6,000 airline engineers overwhelmed 100 per cent. a shift pay allowances follow the this year which British Airways 1 European rights. acceptance of the came after the raders threatened impain of industries.

British Airways will start negotiations with the unions over the distribution of shift work, with the aim of making rest economies in shift work payments.

The mass meeting, held in an aircraft hangar at Heathrow Airport, lasted less than half an hour.

RAF starts campaign against union merger

RAF LABOUR STAFF

section of the Engineers Association in an attempt to recruit professional staff has launched engineers and managers on a just the attempt wide basis.

Mr. Lyons' organisation is affiliated to the TUC but is not enter the shiptry through a part of the Confederation of Shipbuilding and Engineering Unions, which British Shipbuilders has just concluded a procedure agreement.

TASS says of SAIMA's proposal to affiliate with the EMA: "Your national council's recommendation is provocative and can cause embarrassment to the new East."

"It will also cause ill-feeling towards SAIMA members when we need to remove traditional barriers between different sections of the workforce."

Mr. Christopher Hayward-Jones, general secretary of SAIMA, said yesterday: "TASS has obviously got more of its members' money to spend on this sort of propaganda than we have. I presume they are concerned about the effect of SAIMA becoming part of a powerful TUC-affiliated union. Many SAIMA members had indicated their intention of supporting the national council's recommendation to join EMA."

RAF sought an issue at w-witness

RAF LABOUR STAFF

airline Pilots waiting for a thought that the company were made to try to post Royston, that it was a case which BALPA were waiting to latch on to. That they were, rubbing their hands with glee.

One of the strike pilots, First Officer Gordon Woods told the inquiry that he had joined the stoppage for one day.

"A lot of the attitudes were rather extreme and uncompromising. I got the distinct impression that it was a somewhat personal vendetta against the chairman."

The inquiry was adjourned until Monday.

Britain curbs sales of Korean TV sets

BY MAX WILKINSON

A QUOTA has been imposed on imports of black-and-white portable television sets from Korea, the Government said last night.

The quota was imposed in response to fears that Korean manufacturers intended to flood the U.K. market with up to 300,000 sets this year. The Government believes that imports on this scale would have led to the collapse of part of the British manufacturing industry.

Under the quota, which comes into immediate effect, imports will be restricted to 35,000 sets from this year and 35,000 next year.

The 13,000 sets already delivered are an estimated 20,000 in transit will count against the quota.

The sets being made in Korea are single standard UHF, and are therefore suitable for use only in the U.K. and Hong Kong. The manufacturers may therefore have difficulty in disposing of them elsewhere.

The estimated total U.K. market for monochrome portables is 800,000 a year, of which U.K. manufacturers say they must have half to remain viable.

This year, the following imports are: from Japan 300,000; from Singapore 130,000; from Taiwan 35,000; from the USSR 20,000; and from other suppliers 50,000.

The rapid build-up of imports from Korea was noticed by the Department of Trade earlier this year. Last year, only 4,000 sets were imported from this source.

The imposition of yesterday's quota means that imports from all major supplying countries are now restricted by voluntary agreement or by Government action.

The Government's main motive in imposing the quota was to safeguard 1,000 jobs in the manufacture of black-and-white portables and a further 1,000 at component suppliers.

Crown Agents' operating surplus up last year

BY MARGARET REID

THE CROWN AGENTS raised the operating surplus on their traditional purchasing and other services for overseas Governments by £8.9m. to £10.1m. in 1976. But it may be 1985 before they finally wind up their disastrous pre-1974 foray into property and secondary banking.

The Agents' 1976 results show that further provisions of £18m. much less than the £47m. for 1975 and £121m. for 1974 — had to be set aside last year on the realisation account, which holds the ill-fated property and banking investments.

Including interest on unremunerative assets, the realisation account — nowadays separate from the account for continuing operations — incurred a £27m. deficit, bringing its total deficit to £212m.

Even after deducting from this the £25m. Government grant made in late-1974 to stave off a financial crisis, the net deficit piled up on the secondary banking and property (realisation) account stood at the end of 1976 at £187m.

Mr. John Cuckney, who took over as chairman of the Agents in October 1974, after which the withdrawal from banking and property began, said yesterday: "I feel much more encouraged this year."

"We have established that there is a demand for the traditional business, that it is viable and that it can manage on its own."

Deposits placed with the Agents by overseas Governments and others under the traditional services rose by 275m. in 1976 to £713m. and have since increased further to £870m. Orders to them in the first half of this year were £105.3, against £75.3m. a year earlier.

Of the heavily loss-making banking and property side, where provisions have built up to £167m., Mr. Cuckney said: "The whole thing is now measured and under control, though it is still a very worrying situation in the realisation account, as in various private sector ventures in secondary banking and property."

A large ultimate loss was inevitable and it could be nearer 1985 than 1978-79 before clearing up of the realisation account was complete.

The committee under Judge Fay which is conducting an official inquiry into the circumstances into which the Agents went so heavily into banking and property is expected to be completed shortly, although it seems unlikely that it will be published immediately.

It is widely expected that the committee will particularly query adequacy of Government control over the Agents in the late-1960s and early 1970s when the £200m-plus move into secondary banking and property took place and the suitability of the management base from which it was launched.

The Agents are fully backed by Government guarantees but the longer-term plan is that their continuing activities should in due course be incorporated in the form of a new organisation, perhaps next year after the Fay report. Further capital will then probably have to be injected.

Some of the largest remaining property interests are in Australia, where a recent refunding operation was carried out through a \$US220m. (£130m.) loan from a syndicate of British banks and where disposal of properties over several years is now planned.

The £16m. of further provisions last year were required partly on the Agents' remaining overseas banking interests and partly on English and Continental property, the venture formerly run with Mr. Jack Walker and Mr. Ramon Greene.

Mr. Cuckney said yesterday that the steady run-down of E and CP was going reasonably well and that it was hoped to conclude two further transactions in the next few weeks.

U.S. to give Israel extra arms aid worth \$250m.

WASHINGTON, July 22. THE UNITED STATES has agreed to supply Israel with additional military equipment and ammunition and \$107m. to finance production of a new Israeli tank, the State Department said today.

Total value of the new aid is \$250m.

In New York, Menahem Begin, Israel's Prime Minister, said that his country did not want any U.S. guarantees for its survival.

He told a meeting of American Jewish leaders that he had asked the State Department to omit any reference to survival in the talk-muniqué issued after his talks in Washington with President Carter. Instead Israel substituted the word "well-being."

He had little faith in guarantees by one country for the security of another.

Reviewing what he said were broken commitments, dating back to the case of Czechoslovakia in 1938, Mr. Begin commented: "The trouble with guarantees is that whenever you need them in practice, they disappear."

Mr. Begin's audience comprised leaders of 32 organisations which embody a large portion of America's influential Jewish community.

He paid tribute to that influence when he said that he thought Israel's friends in America were indispensable to the success of his trip.

While Mr. Begin conferred with Mr. Waldheim at the UN building, the UN representative of the Palestine Liberation Organisation issued a stern warning of the war that he said would erupt unless Israel softened its refusal to negotiate with the P.L.O.

"Begin's so-called peace plan is in fact a war plan and his request for 150 F-16s is evidence of this," Mr. Ze'evi Labib Terzi said.

Economic Diary

TO-DAY—New Anglo-U.S. civil aviation agreement signed in Bermuda.

MONDAY—House of Commons completes remaining stages of Finance Bill. Labour Party-TUC Liaison Committee meets. EEC Foreign Ministers begin two-day meeting, Brussels. Representatives of financial institutions discuss educational function of National Savings movement with Mr. Denis Davies, Minister of State, Treasury. Bricks and cement production (June).

TUESDAY—Parliamentary Liberal Party considers renewal of its pact with Government. Statement in House of Commons on Government's devolution plans, and publication of White Paper outlining difficulties involved in separate revenue-raising powers for Scotland. House of Lords debates commodity prices. CBI Economic Situation Committee meets. Price Commission quarterly meeting. British Gas annual report. Unemployment and unfilled vacancies (July, provisional). STOPPAGES of work due to industrial disputes (June). Quarterly National Executive meets. TUC estimates of employees in employment (March). Car and commercial vehicle production (June).

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FRIDAY—Parliament rises for Summer Recess until October 28. Accounting Standards Central Electricity Generating Board considers Government's statement on inflation accounting, request for early start on Drax B plant difficulties involved in industrial power station.

SPECIAL JULY ISSUE

devoted to the MALMAISON MUSEUM, outside Paris

The house was bought in 1799 by the Empress Josephine as a country retreat for Napoleon.

It was Josephine's favourite home, and is the best example of her taste in furniture and decoration. Josephine collected flowers, animals, jewellery, paintings and sculpture and she had perfect taste in dress. Many of the best pieces of furniture and of neo-classical painting and sculpture at Malmaison are illustrated in this issue.

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APOLLO

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ON SALE NOW

SUMMARY OF THE WEEK'S COMPANY NEWS

Merger bids and mergers

Industries, metal processors and manufacturers of agricultural mechanics hand tools, has made a take-over bid for Stockfish. The cash and shares bid, which is all-cash or all-shares alternative, is assured of success if two-thirds of the Stockfish equity have already agreed...

ions which might have led to a bid being made for industries have been terminated. Chapman and Babcock and Wilcox have shelved plans for power station boiler-making operations, following by the GEGB of a promised steady ordering program...

ions are taking place which could lead to Cooper making a cash offer to acquire the shares not already owned by Cooper. Cooper holds around 40 per cent. of the shares with a further 37 per cent. owned or controlled by the family of Cooper.

International civil engineering and building group, John purchased a 40 per cent. interest in a Swiss-based specialist in the design and construction of process refineries, petrochemical, food, pulp and paper industries...

International is in negotiation with BP Chemicals for the industrial laminates business carried on subsidiary, Formica. The company has agreed to buy for £2.04m. the capital of Arthur T. Martin, which trades as the Goldsmiths and Silverware...

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Table with columns: Company, Value of bid per share, Market price, Price before bid, Value of bid, Bidder, Final Acct'ce date. Lists companies like Adams Foods, Assam Frontiers, Beaverbrook, etc.

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. †† Date on which scheme is expected to become operative. ** Based on 21/7/77. ††† All suspension. †††† Bid.

PRELIMINARY RESULTS

Table with columns: Company, Year to, Pre-tax profit, Earnings per share, Dividends per share. Lists companies like Albion Ind. Props, Astra Industrial, Birmingham Mint, etc.

INTERIM STATEMENTS

Table with columns: Company, Half-year to, Pre-tax profit, Interim dividends per share. Lists companies like Asso. Fisheries, Berfords, Dewhurst & Ptnr., etc.

(Figures in parentheses are for corresponding period.) Dividends shown net except where otherwise stated. * Adjusted for any intervening scrip issue. † 1976-77 on a sub-normal tax charge. ‡ An interim dividend of 3.00p was paid by Magnet Joints and 2.10p by Southern Bricks. § After 11.43m. loss of forward dealings on metal exchange. ¶ Pre-tax per share. †† For 52 weeks. ††† Net.

ISSUE NEWS

Standard Chartered U.S. expansion

Standard Chartered Bank is planning a significant expansion in California by £5m. to buy the property occupied by T. C. Harrison (Newcastle-U-Lyme) and which is owned by T. C. Harrison. The consideration, in cash on completion, will be some £180,000...

LYON & LYON REJECTS CLYDE PETROLEUM OFFER

Clyde Petroleum's revised offer of 60p per share has been turned down by the Board of Lyon & Lyon, who describe the bid as "totally unacceptable". The letter to Lyon and Lyon shareholders, sent out yesterday by Baring Brothers, the company's financial advisers, argues that the offer is only 5.40 times the earnings per share for 1976, which compares with 8.40 for the FT 100 average...

ASSI INCREASES OFFER FOR DOLAN & CLAIMS CONTROL

Aktieholaget Statens Skogsindustrier has increased its offer for Dolan Packaging from 18p to 18.5p and claims to have either purchased or gained irrevocable undertakings representing 53.9 per cent. of the Dolan shares.

BRASCAN

Brascan, through its wholly-owned subsidiary, Brascan Resources of Calgary, Alberta, has agreed to sell its holdings of 1,141,876 shares in Assi and Butta to the Shell Company of Australia.

HARTLE MACHINERY

An extraordinary meeting of Hartle Machinery International, machine tool manufacturers and distributors, Manchester, shareholders approved the acquisition of the capital of Derek Hartle and an increase in the authorised capital of the company to £1,575,000 by the creation of 1.5m. new ordinary shares of 25p each.

APPLEYARD ACQUISITION

Subject to receiving formal confirmation from The Ford Motor Company, Appleyard Group of Companies will acquire the capital of T. C. Harrison (Newcastle-U-Lyme), who operate the castle-under-Lyme.

NORTHERN SECURITIES TRUST

Highlights from the statement by the Chairman. The Hon. R. Hanning Philipps: Net Value rose by 7.7% during the year ended 5th April 1977 compared to Financial Times Index which fell by 10.0%.

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T. COWIE EXTENDS OFFER FOR COLMORE

The protracted take-over battle between T. Cowie and Colmore Investments will draw to a conclusion next Friday, July 29, when the Cowie offer (its third and final) closes. Charterhouse Japhet, advisers to Cowie, state that the offer will not be extended beyond that date.

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Anal. Distilled deficit - outlook encouraging

AFTER AN increase in interest payable from £25.27 to £24.57, Amalgamated Distilled Products incurred a pre-tax loss of £22,145 for the year to March 31, 1977 compared with profits of £217,500 the year before. The company's profit rose from £5,644 to £10,610.

Highgate auditors disagree

A disagreement between two auditing firms over a stock valuation is delaying publication of the 1976 accounts of Highgate Optical and Industrial Company.

LONDON CITY & WESTCLIFF

Following discussions with certain major investors, London City and Westcliff Properties intends placing before stockholders proposals for the early repayment of certain of its quoted Debenture stocks, as follows:

Debenture stock 1978-87 at 95p. Debenture stock 1982-94 at 95p. Debenture stock 1982-94 at 95p. Debenture stock 1982-94 at 95p.

J.C.E.G. incurs £47,400 loss

After declining from a profit of £80,151 to £48,185 at half-way, J.C.E.G. slipped into a loss in the second half of the year. The company's profit rose from £47,400 to £47,400 in the year to March 31, 1977, compared with a profit of £88,088 for the corresponding period.

ASSAM FRONTIER ACCOUNTS

Accounts of Assam Frontier Tea Company should be in shareholders' hands by mid-September, say the directors.

ASSOCIATE DEAL

De Zoete and Beran bought 25,000 Empire Plantations and Investments at 28p on behalf of Single Holdings.

Good order book at Johnson Matthey

LORD ROBENS, chairman of Johnson Matthey and Co. says in a statement that the company has seized all opportunities to improve its business and has started the current year with a good volume of orders in hand. The directors expect a modest improvement in business during the year but may have to wait until 1978 for any significant increase in the world trading climate and therefore in the company's business.

PAID QUARTERLY

The Lawson High Yield Fund has remained among the leaders of the high income trusts and the portfolio split offers investors a higher starting income than if based entirely on equities with some growth prospects for that income. The fund is primarily for investors seeking income but has had more than adequate capital performance since inception.

LAWSON HIGH YIELD FUND

2.0% PAID QUARTERLY

Income Units 45.6p Accumulation Units 59.3p

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WALL STREET + OVERSEAS MARKETS + LAST WEEK'S PRICES

Dow easier after firm opening

BY OUR WALL STREET CORRESPONDENT

STOCKS MOVED into reverse on Wall Street this morning after a firm start. The Dow Jones Industrial Average, after hardening to 922.73 at 10.30 a.m., reacted to show a net loss of 1.22 at 920.56 at 1 p.m., while the NYSE All Common Index...

Pittston, the most active issue, were down \$1 at \$251. McDermott dropped \$2 to \$33 after a block of 123,000 shares changed hands at \$32.

PARIS—Firm on balance at the beginning of the new Account, encouraged by the raising of export credit ceilings for small companies.

NEW YORK, July 22. ALBERT LEBE 477 1/2 484 1/2. ADMIRALTY 254 1/2 261 1/2. AERONAUTICS 277 1/2 284 1/2. AIRWAYS 277 1/2 284 1/2. AMERICAN AIRLINES 46 1/2 47 1/2. AMERICAN AIRWAYS 46 1/2 47 1/2. AMERICAN AIRWAYS 46 1/2 47 1/2.

OVERSEAS SHARE INFORMATION

NEW YORK

Table with columns: Stock, July 21, July 20. Lists various international stocks like Johnson & Johnson, IBM, etc.

Table with columns: Stock, July 21, July 20. Lists Canadian stocks like Alcan, Inco, etc.

Closing prices and market reports were not available for this edition.

was 3 cents down at \$55.61, after touching \$55.71. Trading volume amounted to 13.877 shares, compared with 15.5m. at 1 p.m. yesterday.

Other Markets: Canada lower. Share prices on Canadian Stock Markets mainly lost ground in moderate trading in yesterday's morning session.

OSLO—Banks, insurances and shipping were little changed, while Industrials were irregular.

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THURSDAY'S ACTIVE STOCKS

Table with columns: Stock, Closing, Change. Lists active stocks like General Electric, IBM, etc.

Canada lower

Share prices on Canadian Stock Markets mainly lost ground in moderate trading in yesterday's morning session.

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Indices

NEW YORK—DOW JONES

Table with columns: July 21, July 20, July 19, July 18, July 17, July 16, High, Low. Shows Dow Jones index values.

MONTEREAL

Table with columns: July 21, July 20, July 19, July 18, High, Low. Shows Montreal stock index values.

TOBACCO

Table with columns: July 21, July 20, July 19, July 18, High, Low. Shows tobacco stock index values.

JOHANNESBURG

Table with columns: July 21, July 20, July 19, July 18, High, Low. Shows Johannesburg stock index values.

STANDARD AND POORS

Table with columns: July 21, July 20, July 19, July 18, July 17, July 16, High, Low. Shows Standard & Poors index values.

INDICES AND BARS

Table with columns: July 21, July 20, July 19, July 18, July 17, July 16, High, Low. Shows various indices and bars.

FINANCE AND TRADE

Table with columns: July 21, July 20, July 19, July 18, High, Low. Shows finance and trade data.

FINANCE AND TRADE

Table with columns: July 21, July 20, July 19, July 18, High, Low. Shows finance and trade data.

F.T. CROSSWORD PUZZLE No. 3438

A prize of £3 will be given to each of the senders of the first three correct solutions opened by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4A 3DF. Winners and solution will be given next Saturday.

Crossword puzzle grid with clues for Across and Down.

RACING BY DOMINIC WIGAN

The Minstrel in line for biggest prize

THE MINSTREL, who has continued to thrive since his hard-fought victory in the Epsom Derby, can win his biggest prize to date by beating top older horses and some of the best of his contemporaries in the day's renewal of the King George VI and Queen Elizabeth Diamond Stakes.

GERMANY

Table with columns: Stock, Price, Div. Yld. Lists German stocks like A.G. V. Verden, BASF, etc.

PARIS

Table with columns: Stock, Price, Div. Yld. Lists Paris stocks like Air France, Bouygues, etc.

AUSTRALIA

Table with columns: Stock, Price, Div. Yld. Lists Australian stocks like BHP, Anglo Coal, etc.

TOKYO

Table with columns: Stock, Price, Div. Yld. Lists Tokyo stocks like Dai Nippon, Daiwa, etc.

BRUSSELS/LUXEMBOURG

Table with columns: Stock, Price, Div. Yld. Lists Brussels/Luxembourg stocks like Axa, Belgacom, etc.

STOCKHOLM

Table with columns: Stock, Price, Div. Yld. Lists Stockholm stocks like Alfa, Asea, etc.

COPENHAGEN

Table with columns: Stock, Price, Div. Yld. Lists Copenhagen stocks like Danfoss, Grundfos, etc.

MILAN

Table with columns: Stock, Price, Div. Yld. Lists Milan stocks like Agnelli, IRI, etc.

SWITZERLAND

Table with columns: Stock, Price, Div. Yld. Lists Swiss stocks like Nestle, Swissair, etc.

AMSTERDAM

Table with columns: Stock, Price, Div. Yld. Lists Amsterdam stocks like ABN, Alkermat, etc.

JOHANNESBURG

Table with columns: Stock, Price, Div. Yld. Lists Johannesburg stocks like Anglo American, De Beers, etc.

VIENNA

Table with columns: Stock, Price, Div. Yld. Lists Vienna stocks like Erste Bank, etc.

OSLO

Table with columns: Stock, Price, Div. Yld. Lists Oslo stocks like Aker, Dampsk, etc.

SOLUTION AND WINNERS OF PUZZLE No. 3432. Lists names of winners and their solutions.

SPAIN, BRAZIL, and other international market data and news snippets.

Additional market data, exchange rates, and financial news snippets.

J. Barnes executive head Lombard North Central

Donald J. Barnes, director of the investment division, has been appointed chief executive officer of Lombard North Central. Barnes, 47, joined the firm in 1976. He was previously with the Board of the products division of National Westminster parent company.

Mr. Trevor Smith, deputy chairman and architect of the Daily Mail Ideal Home Exhibition has been appointed to the Board of Directors of Lombard North Central. Mr. Smith was elected to the Board of Directors in 1974 when the subsidiary company was formed to handle the group's exhibitions.

Mr. T. Hopewell-Ash, design director, has been appointed to the Board of Directors.

Mr. R. D. Lewis has been appointed managing director while D. L. Latham has been appointed executive director.

David Pilkington has been appointed chairman of WAYCOM. He succeeds Mr. Rudebeck who has retired. Mr. Pilkington is now president of Waycom.

Ilan Johnston has been appointed managing director of Precision Engineering.

RAVENSDOWN GROUP has made the following appointments to the Board of its subsidiary companies. Mr. Digby Peel Yates is to be executive director of Custom Made Developments while retaining his directorship of RDM Metals (Hampshire). Miss Jennifer Leyard has been appointed director of Custom Made Developments, and Mr. David Hallwell joins the Board of RDM Metals (Hampshire).

Mr. Robin Herbert has been re-appointed deputy chairman and Mr. Brian Hubbard a member of the COUNTRYSIDE COMMISSION for a further period of three years from August 2.

Mr. S. M. Gray has been appointed a director of RANDALLS GROUP.

Mr. T. A. E. Layburn, Life Governor of C. T. Bowring and Layburn, has been appointed a consultant to C. T. BOWRING (INSURANCE) HOLDINGS.

Mr. H. N. Spörberg CMAA has retired from the Board of RDM Metals. Mr. Spörberg, who has been 72 years of age in September, joined the Board in 1951. Mr. E. R. Carter, who retired from the Board by rotation, has recently joined a Bristol Channel Shiprepairers.

Mr. Peter Chapman has been appointed export director of PEL, a TI company. He was previously with Bull Motors as marketing director.

Mr. R. E. Gooding, Mr. P. A. Wilby, and Mr. T. Wisbey have been appointed divisional directors of SMITHS INDUSTRIES. Mr. Gooding is an assistant financial controller of the company. Mr. Wilby is corporate accountant, and Mr. Wisbey is chief accountant, motor accessory sales and service division.

First Viking Commodity Trusts
Yield Offer 39.0
Bid 37.0
Yield 8.6%
Offer 99.0
Trust Bid 94.0
Yield 4.1%

COMMODITIES/Review of the week

COMMODITIES STAFF

PRICES fell back to the London terminal level. The arrival of a large late last week of deliveries of deliverable inated fears of a "seize" on the spot in there, and with the factor removed, speculators tended to dry up. The price of coffee fell 440 down on the 25 a tonne.

Prices of exportable commodities are under overhauling the present and the applications of this led by a further sport deposit rate rumours that a in the offing.

Man coffee export prices are under the terms must deposit trial bank against road. The facing coffee in present market been illustrated

This week by the financial problems of some Brazilian firms. One has already been granted a two-year moratorium on payments to creditors and several others have applied for similar concessions.

Cocoa prices also fell sharply this week though dealers could point to a clear fundamental reason for the fall. They saw the decline, which took the September position to £2,587.5 a tonne, down £253 on the week, as resulting from a collapse in the "bullish" sentiment which has buoyed up prices recently.

After falling early in the week prices were temporarily boosted by German manufacturer buying, but this was not followed through and the downturn was quickly resumed.

On the London Metal Exchange the main features during a quiet week were the tightening of high-grade steel supplies and the copper price cuts.

Almost as soon as it had settled its strike problems, Kennecott, the biggest U.S. copper producer, cuts its price by three cents per lb. The others followed in quick succession.

PRICE CHANGES

Commodity	1977		1977	
	High	Low	High	Low
2880	2880	2880	2880	2880
106.40	106.40	106.40	106.40	106.40
700.00	700.00	700.00	700.00	700.00
1792.70	1792.70	1792.70	1792.70	1792.70
714	714	714	714	714
144.875	144.875	144.875	144.875	144.875
37.75	37.75	37.75	37.75	37.75
3.165	3.165	3.165	3.165	3.165
102.8	102.8	102.8	102.8	102.8
87.85	87.85	87.85	87.85	87.85
40.160	40.160	40.160	40.160	40.160
6.890	6.890	6.890	6.890	6.890
0.90	0.90	0.90	0.90	0.90
1.08	1.08	1.08	1.08	1.08
128.0	128.0	128.0	128.0	128.0
88.178	88.178	88.178	88.178	88.178
11.70	11.70	11.70	11.70	11.70
23.75	23.75	23.75	23.75	23.75
700	700	700	700	700
374.0	374.0	374.0	374.0	374.0
374.0	374.0	374.0	374.0	374.0
37	37	37	37	37
62.75	62.75	62.75	62.75	62.75
30.25	30.25	30.25	30.25	30.25
57.75	57.75	57.75	57.75	57.75

Accounting methods blur BHP earnings trend

BY JAMES FORTH
SYDNEY, July 22

BHP's effective tax rate was 60 per cent compared with the standard company tax rate of 42.5 per cent.

BHP's fixed asset utilisation rose from \$422.1m to \$426.0m, of which FAVA's contribution increased from \$49.2m to \$410.6m. Without FAVA the group would have reported a 15.5 per cent increase in earnings before extraordinary items and minorities, from \$115.7m to \$133.2m. Most of the FAVA is concentrated in the capital intensive steel division. The \$42.3m declared loss on steel was after FAVA of \$47.5m. Without this allowance for inflation the steel division would have recorded profits of \$22.5m, compared with \$15.7m in the previous year.

The latest result was after tax of \$133.6m, compared with \$123.8m, and an increase in interest expense from \$45.1m to \$46.2m.

Group sales rose from \$1,842.2m to \$2,147.7m. The directors said that a strong profit improvement in the December half year was not sustained. Domestic steel demand and export prices were at depressed levels, while inflation continued to erode profit margins. The world-wide steel market also affected the earnings of the minerals industry, while industrial disputes affected productivity and held down results, particularly in the minerals and petroleum activities.

Cominco deal hits a snag

BY OUR OWN CORRESPONDENT

Foreign Investment Review Act of Canada.

Bethlehem certainly likes it. Gulf's investment, according to Gulf, gives it "an opportunity to participate in a meaningful way within a favourable cost and time framework."

Gulf and Bethlehem "had conversations in the past concerning possible coal and lead mining joint ventures, and the companies' discussions had become well acquainted during this time." Other major Bethlehem shareholders include Newmont Mining Corporation (23 per cent interest), Sumitomo Corporation of Japan (3 per cent) and Cominco (12 per cent).

Rey approached for Bally shares sale

BY JOHN WICKS
ZURICH, July 22

A NUMBER of companies have already told me earlier to-day that although Mr. Rey had not made an actual offer, he had inquired whether Oerlikon-Buehrle might be interested in a purchase of Bally shares.

The Oerlikon-Buehrle group, Switzerland's tenth biggest company in turnover terms, has been growing rapidly in recent years. Group sales reaching a total of Sw.Frs.3.22bn. in 1976. The concern has engaged in considerable diversification in the past and considers itself a conglomerate, although 56 per cent of sales is still accounted for by military products. Most of group turnover comes from these products and from capital goods, though Oerlikon-Buehrle has a textile division with annual turnover of Sw.Frs.169.1m. and owns hotels, an insurance company and a real-estate firm.

Fiat recovering

TURIN, July 22

Fiat SpA's first half operations have consolidated last year's recovery with sales in various group sectors rising as a result of the strength in export demand, according to the company, Reuters reports from Turin.

Fiat's European car sales rose to 227,000 in 1976, in first half 1976, with sales to the UK showing a particularly sharp, 50 per cent, increase.

Car sales in Italy remained weak, with registrations in the first five months falling seven per cent from 1976 levels.

The company's worldwide car sales rose 3 per cent in the first six months to over 690,000, with Italian sales rising 0.5 per cent to 370,000 and foreign sales up 7.2 per cent to 320,000.

Industrial vehicles production rose 2.1 per cent to 60,000 units and world sales 3 per cent to 55,000 units.

Alcoa ahead in first half

ALBUQUERQUE, July 22

IN THE first half of this year, net income of Aluminium Company of America (Alcoa) was \$107.8m, or \$3.10 per share, representing a sharp increase on the first half of 1976, when net income was \$85.5m, or \$2.58 per share.

Revenue rose over the same period from \$1.4bn. to \$1.26bn. Company chairman and chief executive officer W. Krome George said Alcoa was understating its earnings, as a strong aluminium market had been able to support necessary higher prices. Higher turnover was helping to offset escalating costs.

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MARKET REPORTS

BASE METALS

COPPER—Standard in the afternoon on the London Metal Exchange after a day of selling had depressed forward metal from £274 to £272.50. The market was buoyed up by the approval of the market around £270 and a higher market opening led to a recovery in the market to close at £274.25. There was a net gain over the week of 1.75.

ZINC—Standard in the afternoon on the London Metal Exchange after a day of selling had depressed forward metal from £110 to £108.50. The market was buoyed up by the approval of the market around £108 and a higher market opening led to a recovery in the market to close at £110.25. There was a net gain over the week of 1.75.

LEAD—Standard in the afternoon on the London Metal Exchange after a day of selling had depressed forward metal from £110 to £108.50. The market was buoyed up by the approval of the market around £108 and a higher market opening led to a recovery in the market to close at £110.25. There was a net gain over the week of 1.75.

WOOL FUTURES

LONDON—Dull and featureless, reports back.

(Price per kilo)

Month	Close	Business
July	252.4-25.0	0-5
August	252.4-25.0	0-5
September	252.4-25.0	0-5
October	252.4-25.0	0-5
November	252.4-25.0	0-5
December	252.4-25.0	0-5
January	252.4-25.0	0-5
February	252.4-25.0	0-5
March	252.4-25.0	0-5
April	252.4-25.0	0-5
May	252.4-25.0	0-5
June	252.4-25.0	0-5

COFFEE limit down: metals ease

NEW YORK, July 22

COFFEE was again limited down on the futures market. The price of Arabica coffee fell 100 points to 100.00. The price of Robusta coffee fell 50 points to 50.00.

Metals prices were generally steady. The price of copper fell 10 points to 274.25. The price of zinc fell 5 points to 110.25. The price of lead fell 5 points to 110.25.

SOYABEAN MEAL

LONDON—Dull and featureless, reports back.

(Price per tonne)

Month	Close	Business
July	110.00	0-5
August	110.00	0-5
September	110.00	0-5
October	110.00	0-5
November	110.00	0-5
December	110.00	0-5
January	110.00	0-5
February	110.00	0-5
March	110.00	0-5
April	110.00	0-5
May	110.00	0-5
June	110.00	0-5

FINANCIAL TIMES

July 21 (July 20) 250.00 250.00
250.00 250.00 250.00
(Daily July 22)

REUTERS

July 22 (July 21) 250.00 250.00
250.00 250.00 250.00
(Daily July 22)

DOY JONES

July 22 (July 21) 250.00 250.00
250.00 250.00 250.00
(Daily July 22)

MOODY'S

July 22 (July 21) 250.00 250.00
250.00 250.00 250.00
(Daily July 22)

Table of British Funds (611) with columns for fund names and values.

This week's SE dealings

Table of stock market dealings for Friday, July 22, Thursday, July 21, and Friday, July 15, with columns for date, price, and volume.

The list below records all Thursday's dealings and also the latest markings during the week of any share issued in Thursday...

HOME NEWS Shore gives some hope to building trade

REPRESENTATIVES of both sides of the building industry met Mr. Peter Shore, Environment Secretary, yesterday...

FREE OF STAMP DUTY

London County Council (LCC) has announced that it will be free of stamp duty on the transfer of its shares...

CANALS, DOCKS (-)

Mr. Lyons said that Mr. Shore showed an active willingness to take up many of these ideas...

CONCIL. INDUST. (7.25)

A.A.H. (250) 181 80 (2017) A.B. Electronic Components (250) 97 8 (2017)...

Arabian Gulf bright spot for tankers

DEMAND for large crude carriers in the Arabian Gulf area has been maintained this week...

Government doing poor job, say wives in survey

MORE THAN half Britain's housewives think that the government is doing a poor job in managing the country...

Consumers seek TUC aid in fighting price rises

A DELEGATION from the National Consumer Council yesterday had talks with Mr. Len Murray, TUC general secretary...

BBC slips in ratings

ITV appears to be getting its revenge for BBC supremacy in the ratings war last winter...

FREE OF STAMP DUTY

London County Council (LCC) has announced that it will be free of stamp duty on the transfer of its shares...

CANALS, DOCKS (-)

Mr. Lyons said that Mr. Shore showed an active willingness to take up many of these ideas...

CONCIL. INDUST. (7.25)

A.A.H. (250) 181 80 (2017) A.B. Electronic Components (250) 97 8 (2017)...

PUBLIC BOARDS U.K. (38)

Agricultural (100) 89 21 (2017) Associated Portland Cement Mfgs. (100) 89 21 (2017)...

C.W.L.T.H. G.V. & PROV. (7)

Registered and Incorporated in Great Britain. Registered Office: 10, Abchurch Lane, London EC4N 3DF.

FOREIGN STOCKS (7)

China (250) 125 125 (2017) India (250) 125 125 (2017) Japan (250) 125 125 (2017)...

U.K. & C.W.L.T.H. RAILS (4)

Canada (250) 125 125 (2017) New Zealand (250) 125 125 (2017) South Africa (250) 125 125 (2017)...

FINANCE FOR INDUSTRY TERM D

Deposits of £1,000-£25,000 accepted for fixed terms. Interest paid gross half-yearly. Rates received no later than 5.37.

Table showing interest rates for various terms: 3 months, 6 months, 1 year, 2 years, 3 years, 5 years.

Information for larger amounts on request. Deposits to be held at the Chief Cashier, Finance Dept. Ltd., 10, Waterloo Road, London SE1 8XP.

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Table of financial data including various stock prices and market indicators.

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Table titled 'AUTHORITY BOND TABLE' showing interest rates for various bonds.

Table titled 'BUILDING SOCIETY RATES' showing interest rates for building societies.

Table titled 'GOLD MARKET' showing gold prices and market data.

Table titled 'EXCHANGES AND BULLION' showing exchange rates and bullion prices.

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Table titled 'GOLD MARKET' showing gold prices and market data.

Table titled 'EXCHANGES AND BULLION' showing exchange rates and bullion prices.

Table titled 'U.K. CONVERTIBLE STOCKS 22/77' showing convertible stock prices and market data.

Additional text and footnotes at the bottom of the page.

STOCK EXCHANGE REPORT

Equities remain uneasy as Account draws to a close Index down 2.4 more at 431.5 for a fall of 22.2 on the week

Account Dealing Dates Option First Declara- Last Account Dealing Dates...

Equities failed to shake off the economic and inflationary anxieties which have been prevalent all week since the Government's statement late the previous Friday on its pay guidelines for the next twelve months...

Leading industrialists opened a shade firmer with dealers anticipating bear covering...

For the third successive day falls were in a majority over rises but about three-fifths of the quoted industrials...

Gilts still resilient The resilient trend which first appeared in British Funds late on Wednesday morning continued throughout yesterday and into the after-hours business...

overnight level at 1111 per cent Yesterday's SE conversion factor was 0.748 (0.7151).

The better-than-expected interim profit performances from both Lloyds and Midland gave the banking sector a lift yesterday.

Composite Insurances took a modest turn for the better in their trading...

Distillery concerns had a quiet day, while Union being little affected by Press comment on the industry...

With activity down to a minimum, Buildings displayed no set trend. JCEB were a prominent late casualty at 23p, down 10 following the profits setback...

harder 2 to 22p, but Methereau ended that much easier at 14p. Dewhurst lost 5 to 49p and MFI Warehouses slipped 21 to 53p.

The disclosure that the Stock Exchange is making preliminary inquiries into dealings in Fairley's shares...

Charringtons rise The surprise bid from Laird Group (now 3 at 84p) for Charringtons Industrial brought a sharp rise in the latter of 11 to 57p...

York Trailer, still on the interim statement, picked up a penny more to a 1977 peak of 49p...

198p, making a fall on the week statement, picked up a penny more to a 1977 peak of 49p...

198p, and Homfray, which resisted the trend with a 3 rise to 52p.

Quiet Mines With one or two exceptions mining shares generally closed the week on a quiet note...

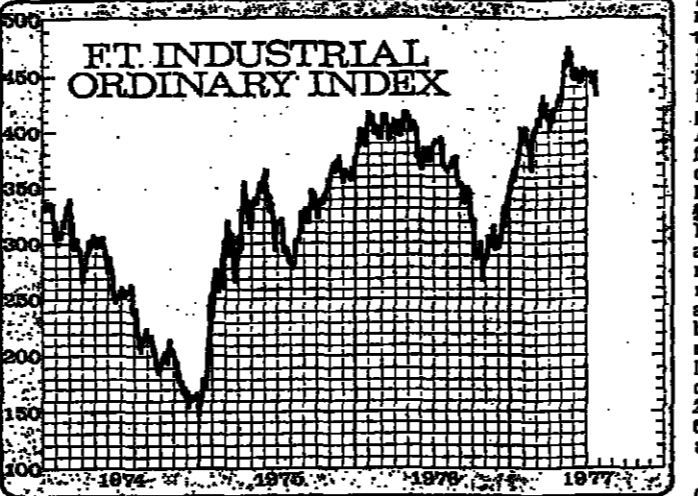
Investment Trusts had little to commend them. GT Japan retreated 31 to 174p, while Viking Resources, 85 and Argy Investments 118p, gave up 1 and 3 respectively.

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FINANCIAL TIMES STOCK INDEX Table with columns for dates (July 22, 21, 20, 19, 18, 17, 16) and various stock categories like Government Securities, Fixed Interest, Industrial Ordinary, etc.

HIGHS AND LOWS S.E. AC Table showing high and low prices for various stock categories like Govt. Sec., Fixed Int., Ind. Ord., and Gold Mines.

ACTIVE STOCKS ON THE WEEK Table listing stocks like BCI, BATS, British Transport, Barclays Bank, etc., with columns for Denomination, No. of shares, Closing price, and Change on week.

YESTERDAY Table listing stocks like BCI, BATS, British Transport, Barclays Bank, etc., with columns for Denomination, No. of shares, Closing price, and Change on day.

RISES AND FALLS YESTERDAY Table listing various stock categories like British Funds, Corporate, Government and Foreign Bonds, etc., with columns for Up/Down/Same and High/Low.

RECENT ISSUES

EQUITIES Table listing recent issues like 945 300 15.18, 980 300 15.18, etc., with columns for Issue Price, Amount, and Stock.

FIXED INTEREST STOCKS Table listing fixed interest issues like 945 300 15.18, 980 300 15.18, etc., with columns for Issue Price, Amount, and Stock.

"RIGHTS" OFFERS

"RIGHTS" OFFERS Table listing rights offers like 110 80 P.P., 110 80 P.P., etc., with columns for Issue Price, Amount, and Stock.

NEW HIGHS AND LOWS FOR 1977

NEW HIGHS (17) Table listing new highs for various stocks like Jovan, Jovan, etc.

NEW LOWS (18) Table listing new lows for various stocks like Jovan, Jovan, etc.

OPTIONS TRADED

OPTIONS TRADED Table listing options traded like DEALING DATES, DEALING DATES, etc.

BASE LENDING RATES

BASE LENDING RATES Table listing base lending rates for various banks like A.B.N. Bank, Allied Irish Banks Ltd., etc.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

FT-ACTUARIES SHARE INDICES Table with columns for EQUITY GROUPS, SUB-SECTIONS, and various indices like CAPITAL GOODS, BUILDING MATERIALS, etc.

FIXED INTEREST PRICE INDICES

FIXED INTEREST PRICE INDICES Table listing fixed interest price indices like British Government, 1 Under 5 years, etc.

Section of Group Table listing various financial groups and their performance metrics.

AUTHORISED UNIT TRUSTS

Table listing various authorised unit trusts with columns for name, manager, and other details. Includes sections like 'Key Fund Managers Ltd.', 'L & C Unit Trust Management Ltd.', and 'Royal Trust Co. Ltd.'.

OFFSHORE AND OVERSEAS FUNDS

Table listing offshore and overseas funds with columns for name, manager, and details. Includes sections like 'Fidelity Mgmt & Res. (Bda.) Ltd.', 'Keyvest Mgmt. Jersey Ltd.', and 'Schroder Life Group'.

INSURANCE, PROPERTY, BONDS

Table listing insurance, property, and bond products with columns for name, provider, and details. Includes sections like 'Abbey Life Assurance Co. Ltd.', 'Equity & Law Life Ass. Soc. Ltd.', and 'New Court Property Fund Mgmts. Ltd.'.

ssenters
y in Paris, a group of economists—the Shadow
Policy Committee—took a long look at
mic policy, and came up with their own analy-
sance ministers in Germany, Britain, France and

ind of future?
always being sounded for London's merchant
live on and prosper. This year's survey by
merch bankers takes a look at the
fortunes of some of the foreign competition
United States, and Australia.

ring well
feeling parched in California's record-breaking
economy is in full bloom, set to outpace the
several years yet.

ar that never ends
We British are a peaceful people. When a war-
er we like to consign it to the history books - and
get it.

my Unit Trust Fund
Soldiers and their families in distress
uke of York's HQ, London SW3 4SP

CLIVE INVESTMENTS LIMITED
1 Royal Exchange Ave., London EC3V 3LU, Tel: 01-283 1101
Index Guide as at 19th July, 1977. (Base 100 at 14.1.77).

INSURANCE BASE RATES
Property Growth 10%
Canon Assurance 5%
Address shown under Insurance and Property Bond Tables.

FT SHARE INFORMATION SERVICE

INDUSTRIALS (Contd.)

Relative Strength. Relative strength is the difference between a good and a bad investment. We supply relative strength charts for Britain's leading companies...

BRITISH FUNDS

Table of British Funds with columns for Stock, Price, Div, and Yield. Includes 'Shorts' (Lives up to Five Years) and 'Over Fifteen Years'.

CANADIANS

Table of Canadian stocks with columns for Stock, Price, Div, and Yield.

BUILDING INDUSTRY - Continued

Table of Building Industry stocks with columns for Stock, Price, Div, and Yield.

DRAPERY AND STORES - Continued

Table of Drapery and Stores stocks with columns for Stock, Price, Div, and Yield.

ENGINEERING - Continued

Table of Engineering stocks with columns for Stock, Price, Div, and Yield.

BANKS AND HIRE PURCHASE

Table of Banks and Hire Purchase stocks with columns for Stock, Price, Div, and Yield.

ELECTRICAL AND RADIO

Table of Electrical and Radio stocks with columns for Stock, Price, Div, and Yield.

CHEMICALS, PLASTICS

Table of Chemicals and Plastics stocks with columns for Stock, Price, Div, and Yield.

ENGINEERING, MACHINE TOOLS

Table of Engineering and Machine Tools stocks with columns for Stock, Price, Div, and Yield.

INTERNATIONAL BANK

Table of International Bank stocks with columns for Stock, Price, Div, and Yield.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth and African Loans stocks with columns for Stock, Price, Div, and Yield.

CINEMAS, THEATRES AND TV

Table of Cinemas, Theatres and TV stocks with columns for Stock, Price, Div, and Yield.

DRAPERY AND STORES

Table of Drapery and Stores stocks with columns for Stock, Price, Div, and Yield.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, etc. stocks with columns for Stock, Price, Div, and Yield.

CORPORATION LOANS

Table of Corporation Loans stocks with columns for Stock, Price, Div, and Yield.

BEERS, WINES AND SPIRITS

Table of Beers, Wines and Spirits stocks with columns for Stock, Price, Div, and Yield.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber and Roads stocks with columns for Stock, Price, Div, and Yield.

AMERICANS

Table of American stocks with columns for Stock, Price, Div, and Yield.

HOTELS AND CATERERS

Table of Hotels and Caterers stocks with columns for Stock, Price, Div, and Yield.

FOREIGN BONDS & RAILS

Table of Foreign Bonds and Rails stocks with columns for Stock, Price, Div, and Yield.

AMERICANS (Contd.)

Table of American stocks (continued) with columns for Stock, Price, Div, and Yield.

AMERICANS (Contd.)

Table of American stocks (continued) with columns for Stock, Price, Div, and Yield.

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AMERICANS (Contd.)

Table of American stocks (continued) with columns for Stock, Price, Div, and Yield.

AMERICANS (Contd.)

Table of American stocks (continued) with columns for Stock, Price, Div, and Yield.

Large table of Industrial stocks with columns for Stock, Price, Div, and Yield. Includes companies like ICI, British Petroleum, and various engineering firms.

Handwritten signature 'John Smith' at the bottom of the page.

FINAHS - Continued

Table of financial data including various stock prices and market indicators.

MOTORS, AIRCRAFT TRADES

Table listing prices for various motor vehicles, aircraft, and related components.

PROPERTY - Continued

Table listing real estate properties, including addresses, prices, and descriptions.

TRUSTS - Continued

Table listing various trusts and their associated financial details.

TRUSTS - Continued

Table listing various trusts and their associated financial details.

SUMITOMO HEAVY INDUSTRIES, LTD. Tokyo, Japan. For ocean development, systems engineering, and environment protection.

MINES - Continued. Table listing various mining companies and their stock prices.

AUSTRALIAN. Table listing Australian companies and their stock prices.

TINS. Table listing tin-related companies and their stock prices.

COPPER. Table listing copper-related companies and their stock prices.

MISCELLANEOUS. Table listing various miscellaneous companies and their stock prices.

NOTES. A collection of financial notes, announcements, and company news.

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £400 per annum for each security.

REGIONAL MARKETS. Table listing regional market data and stock prices.

OPTIONS. Table listing options contracts and their 3-month call rates.



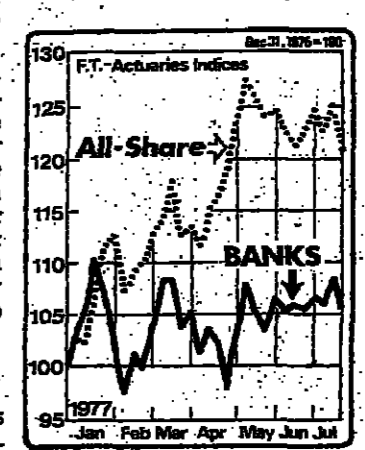
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THE LEX COLUMN

Clearers' buoyant first half

Index fell 2.4 to 431.5



Although the gift-edged market has partly recovered from the low seen on Wednesday morning, equities have fallen every day this week for a total decline of 22.2 points. All May's gains have now been lost. Large institutions are re-thinking their strategy in the light of the uncertainty over future pay trends. And the statements on Wednesday from Courtauld and—on a smaller scale—Fairley came as a shock to a market which had been taking a buoyant accountancy profits background a little too much for granted.

Clearing banks

Once again Midland Bank has come up trumps with a £35.8m jump in interim pre-tax profits to £102.4m. The improvement at Lloyds, where profits are £25.5m, ahead at £90.1m, is slightly less spectacular, but from an average 3.5 points in the second half of last year to 4.0 points in the first six months of 1977 and the margin now stands at a record 4.5 points. This obviously helped, as did the more favourable deposit mix with current accounts growing by just under a tenth over the second half of last year. In addition, higher commission charges for corporate clients were not fully implemented until the end of last year.

The first half performance is especially encouraging, when matched against the second six months of 1976. Despite an average base rate 1.8 points lower and a virtual standstill in advances Midland maintained its trading profits and Lloyds managed to push its operating profits 6.4 per cent higher.

Clearly, both banks were helped by buoyant international earnings. Nearly 40 per cent of Lloyds profits now come from overseas against a third 12 months ago, while Midland has boosted its international contribution from a fifth of total earnings to between 25-30 per cent, although the latter may find it hard to maintain its international growth without the heavy capital investment.

Crown Agents

The Government's £85m grant to the Crown Agents in December 1974 was made on the understanding that it would be recoverable by direction from future earnings, or appreciation of assets. But the Agents' latest accounts make it plain not only that this money has generated substantial profits and both Thos. Cook and Samuel Montagu increased their contributions. However, the puzzle in both sets of results is the seeming first half buoyancy of domestic

split into two operating account traditional business profitable and as the realisation disastrous second and property bus now being wound area, liabilities ex-£125m, even aft) £85m. Governme account. The Agents h of the provisions back when they gage themselves tralian property that may not be 1980s, and mean of financing t account is co could be about ? For the tim Agents are effe anced by the Go guarantees of profits of the- ness are needed capital base at principals' depe fast. So when account is eve there could be e much as £200m original Govern

Laird/Char After Hawke nest company splashing out it compensation r Group, with equity half cas ringtons Indust quite a big (capitalised) tackle, and it given that a Laird share —worth a total Charringtons at 19 per cent, y pre-bid price, market pushed to 57p yester. So far Char plied with a h though it has higher profits year. On the the two gro would not ha mediate imp earnings: net pre-tax to La the latter's eq increased by And the indu buying into an area which been diversity far from clear.

Campaign to save inflation accounts proposals

By Michael Lafferty, City Staff

A CAREFULLY orchestrated effort to salvage something from the inflation accounting controversy is being planned by Sir William Stilling, chairman of the Accounting Standards Committee.

If the Stilling initiative succeeds the Confederation of British Industry, the Stock Exchange and leading accounting firms will back the accounting rule-making body in a new project to develop a simplified inflation accounting method.

Pressure

It is not clear how the Mopert group will fit into any new approach. One possibility is that it may be asked to work on a longer term solution to the problem. It is believed that the CBI is particularly keen to have an agreed system of adjusting accounts for inflation available for use by companies as quickly as possible because of the Government's failure to get an agreement on a Phase Three pay deal.

The new approach will provide a simple method for adjusting physical assets—stocks and plant—for inflation, and will almost certainly also deal with monetary items in which such figures would be supplementary to the conventional financial statements.

Anger at War on Want gift to Grunwick strikers

BY DAVID CHURCHILL, LABOUR STAFF

A DONATION of £150 to the Grunwick strikers from War on Want, a leading international charity, was criticised last night by Mr. John Gorst, Conservative MP for Hendon North, who is advising the strike-hit company.

The donation was given to the Grunwick strike committee yesterday after it had been collected specifically to help the families of about 70 workers, mainly Asians, who have been on strike for 11 months in a bid for union recognition.

War on Want yesterday praised the "enormous courage" of the strikers and said it was "intolerable" that they should be denied the right to join a trade union.

Mr. Iain MacDonald, the charity's international director, said yesterday it was "imperative" that the strike was successful to encourage other exploited groups, particularly immigrants who were afraid to join a union.

Mr. Gorst described the donation as "ill-founded and ill-judged."

"It is an extraordinary way for charity to use its money. The strikers are getting a tax-free payment from the union, which means they are better off than in employment."

Mr. Roy Grantham, general secretary of the Association of Professional, Executive, Clerical and Computer Staff, whose mem-

bers at Grunwick are seeking the recognition, last night supported the War on Want donation. He said that the strikers' average pay last year was £1,600, but they had received only £1,056 in strike pay in the past 48 weeks.

This is the first time War on Want has given financial support to a strike in Britain, although it regularly assists trade unions and other organised groups in Third World countries.

Detention It was launched 25 years ago in the wake of the publication of a book called War on Want by a committee headed by Sir Harold Wilson. It has often been the subject of controversy, as when it supported guerrilla movements. Its president is Rt. Rev. Trevor Huddleston, Suffragan Bishop of Stepney.

The National Association of Freedom, the law and order pressure group which has been advising Grunwick yesterday wrote to Mr. Sam Silkin, Attorney General, asking him to end the "willful detention of mail by the Post Office in the NW2 postal area."

The mail is being blocked by Post Office workers to prevent mail order firms reaching Grunwick for processing. But the blocking action has prevented many other small companies in

the area from receiving their mail, including cheques and this is leading to severe financial hardship for some companies.

The letter was sent to Mr. Silkin on behalf of the A. F. International group of companies, which has been hit by the mail ban.

Mr. Reg. Freeson, Housing Minister and Labour MP for Brent, also came to the aid of companies whose mail has been blocked. He asked Sir William Ryland yesterday to reopen the Crickwood sorting office to clear the backlog of mail which has been piling up.

At yesterday's hearings of the Scarman inquiry into the dispute Mr. George Ward, Grunwick managing director, repeated that under no circumstances would the strikers' 5p request be met by the company. He said that he was anti-union, but argued that no one should be forced to join a union. The hearing was adjourned until Tuesday.

Outside the Grunwick factory yesterday 100 pickets were on duty despite the call from Mr. Arthur Scargill, Yorkshire miners' leader, for a mass picket as a gesture of solidarity.

Demands for a mass picket on August 8 were rejected by Mr. Grantham yesterday as the inquiry and court hearing were still taking place.

Overwhelming vote for one-day boycott by medical profession

BY RAY PERMAN, SCOTTISH CORRESPONDENT

FAMILY DOCTORS and hospital juniors yesterday voted overwhelmingly to join the consultants in threatening a one-day boycott of all non-urgent cases in support of their interim 15 per cent pay claim.

The motion at the British Medical Association conference in Glasgow, which was passed with only six votes against, also mandated the council to draw up plans for further action.

But it considerably toned down the threat from the consultants earlier this week. They had demanded a strike that could also hit emergency services. This moderation reflects the influence of the family doctors who are not prepared to take all-out action.

The action agreed would be a demonstration, with little practical effect on the health service since, as one consultant explained, non-urgent cases often have to wait months for hospital treatment, and few people are lucky enough to be able to see their GP without at least a day's notice.

Leaders of the separate negotiating groups will now seek an early meeting with the medical review body to ask it to recommend action that would "rectify anomalies and lead to the restoration of the profession's proper economic status."

Earlier this week the GPs' section of the conference spelt out that they wanted increases of 15 per cent—bringing their average salaries to about £10,000 a year—to restore parity with other professional groups.

A similar rise would give consultants around £10,900.

Confrontation

The Council will also have to decide the timing of the claim. There were demands at the conference to wait until some other group—possibly the miners—had broken the 12-month rule. At present the doctors are bound not to seek a new pay rise until April.

Any action to press the claim will inevitably lead to confrontation with the Government. It has already been made clear by the Chancellor and by Mr. David Ennals, the Secretary of State for Health and Social Services, that doctors cannot be exempted

from the 12-month rule or the Government's general pay guidelines.

The pay motions at the conference were moved jointly by Dr. Tony Keable-Elliott, chairman of the GP section, and Mr. Tony Graham, leader of the consultants.

Dr. Keable-Elliott said that the incomes policy had been shown to be so manifestly unfair to the profession that doctors were driven to threaten the very last thing they wanted to do—to strike or take any other industrial action.

Mr. Graham received a standing ovation when he said that it was time for the degradation of the profession to stop. If the review body could not help, the Government would not help, then the profession had to help itself.

It was with a heavy heart that doctors threatened action that was repugnant to them, but it was necessary to protect themselves, their families and ultimately the health service.

The conference rejected a motion from the junior hospital doctors that the association should campaign for the abolition of the review body system.

Jenkins hits 'stingy approach' in EEC

BY REGINALD DALE, EUROPEAN EDITOR

MR. ROY JENKINS, President of the EEC Commission, yesterday accused member governments of going back on commitments made at last month's London summit by slacking plans for increased Community spending in Brussels this week.

Although he did not mention Germany by name, Mr. Jenkins clearly had Bonn in mind when he expressed his strong disappointment at the "undisminishing and parsimonious" attitude of Ministers.

It was just "not possible," to issue high-sounding communique at summit meetings and then not give the Commission the resources for social, regional and nuclear safety policies, Mr. Jenkins said.

At last month's summit, the Nine heads of Government pledged themselves, among other things, to encourage investment, fight unemployment and halt the growing economic divergence between the richer and poorer

countries inside the Community. Wednesday's meeting, however, decided to make sweeping cuts in the Commission's proposals for increased expenditure.

Mr. Jenkins also criticised the British Government for its "short-sighted" handling of the presidency of the EEC Council of Ministers in the first six months of this year.

It was fair enough for the Government to promote British national interests in Brussels, Mr. Jenkins said. But the U.K. had not been able to see that by taking a broader, longer term view of the Community it could actually serve those interests better.

Mr. Jenkins said he thought there had been some forward movement over Britain's demands for protected coastal fishing zones of up to 50 miles, demands that were repeated in the Commons yesterday by Mr. John Silkin, the Minister of Agriculture and Fisheries. Silkin statement Page 10

Bullock

this is likely to be too much of a concession to non-unionists to be acceptable to most union leaders because it could mean non-unionists going onto a Board.

Such a move might unite the TUC at its annual Congress on the Bullock issue if the White Paper were published.

Alternatively, by claiming that more time is needed for consultations on the disputed issues and the size of any worker representation, the Government could publish its proposals, possibly with some amendments, in the autumn. This would avoid the TUC's Congress but would still meet Ministers' earlier pledges to produce legislative proposals this session.

Cordle

representing his interests in Africa, Mr. Cordle claimed he had done nothing wrong.

The committee took a more serious view of his conduct than that of the other two MPs, and the resignation could take some of the sting out of the criticism against Mr. Manding and Mr. Roberts.

When Mr. Cordle rose to his feet, the poignancy of the occasion clearly distressed many MPs.

"I have now had an opportunity of giving further consideration not only to the report... but also to my own position and that of my constituents. I have decided on reflection and as a parliamentarian of nearly 20 years' experience that if a group of my colleagues decide unanimously that I was at fault in a matter, then I must bow to their judgment.

Weather

Table with columns for U.K. TODAY, BUSINESS CENTRES, HOLIDAY RESORTS, and WEATHER. Includes forecasts for various regions and cities.

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